

*A complete audio file of this meeting will be posted under the agenda portion of the County website once available.*

VIRGINIA: A VIRTUAL MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD REMOTELY ON THURSDAY, APRIL 23, 2020 AT 6:00 P.M. USING THE 'GOTOMEETING' PLATFORM:  
<https://global.gotomeeting.com/join/447043917>

PRESENT: SUPERVISOR ROBERT ELLIOTT, JR.  
SUPERVISOR MICHAEL DREWRY  
SUPERVISOR JUDY LYTTLE  
SUPERVISOR KENNETH HOLMES  
SUPERVISOR WILLIAM (TIM) CALHOUN

ALSO

PRESENT: MR. BILL HEFTY, COUNTY ATTORNEY  
MS. MELISSA ROLLINS, ACTING COUNTY ADMINISTRATOR  
SHERIFF CARLOS TURNER, SHERIFF'S DEPARTMENT  
MS. CAROL SWINDELL, FINANCE  
MR. RAY PHELPS, EMERGENCY SERVICES  
MS. SHARNA WHITE, REGISTRAR  
MR. WILLIAMS SAUNDERS, BUILDING AND PLANNING  
MS. LINDA GHOLSTON, WORKFORCE DEVELOPMENT  
MR. DELON BROWN, NETWORK ADMINISTRATOR

**CALL TO ORDER / INVOCATION / MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE/ AGENDA ADOPTION**

The meeting was called to order by Chairperson Elliott who then led those present in a moment of silence followed by this evening's invocation. The invocation was given by Reverend Cliff Fritzinger of Rocky Hock Methodist Church. Following the invocation, Chairperson Elliott asked those present to say the pledge of allegiance. The working agenda was adopted by roll call vote.

<b>SUPERVISOR ROBERT ELLIOTT, JR.</b>	<b>AYE</b>
<b>SUPERVISOR MICHAEL DREWRY</b>	<b>AYE</b>
<b>SUPERVISOR JUDY S. LYTTLE</b>	<b>AYE</b>
<b>SUPERVISOR KENNETH R. HOLMES</b>	<b>AYE</b>
<b>SUPERVISOR WILLIAM CALHOUN</b>	<b>AYE</b>

## **Budget Work Session: Budget Discussion FY20-21**

### **1. County Administrator's Budget Presentation**

Acting County Administrator, Ms. Melissa Rollins presented the revised Surry County Administrator's Budget Presentation.

**(The revised Surry County Administrator's Budget Presentation is attached as an integral component of these minutes)**

### **2. FY 20-2: Surry County Administrator's Proposed Budget**

Acting County Administrator, Ms. Melissa Rollins & Interim Finance Director, Ms. Carol Swindell presented the revised proposed Budget FY20-21 and 5 Year CIP.

**(The revised Surry County Administrator's Budget is attached as an integral component of these minutes)**

## **NEW BUSINESS**

### **1. MOU: Virginia Department of Health; Crater Health District**

A proposed Memorandum of Understanding between the County and the Virginia Department of Health Crater Health District in which the County agrees to provide manpower or equipment to assist with contact tracing of known or suspected COVID-19 cases, or other non-fire and rescue service matters related to mitigating the effects of the COVID-19 pandemic disaster on a strictly volunteer basis.

Supervisor Lyttle made a motion to adopt the presented Memorandum of Understanding between the County and the Virginia Department of Health Crater Health District and attached addendums as presented. Supervisor Holmes seconded the motion. **(Approved)**

## **CITIZEN COMMENTS**

**(Citizen Comments mailed into [comments@surrycountyva.gov](mailto:comments@surrycountyva.gov) are attached as an integral component of these minutes.)**

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## **BOARD COMMENTS**

All Board members commended and thanked County Staff on budget preparation and presentation efforts. After discussion with Board Members, County Administration, and Legal Counsel, a decision was reached to reconvene April 30, 2020 at 6:00 PM for further budget discussion and necessary actions. This decision will delay budget adoption by one week, setting the budget adoption date to May 21, 2020.

## **REPORT**

Mr. Ray Phelps, Emergency Services Director advised on the COVID 19 Pandemic and the updates in process for Surry County citizens to stay informed and received information. Mr. Phelps advised an email address for COVID-19 Pandemic specific questions and concerns is being created and will be shared with the public once available.

## **COUNTY ADMINISTRATOR'S REPORT**

Ms. Melissa Rollins, Acting County Administrator, advised she did not have anything further to report after presenting the FY 20-21 Budget Presentation and Proposed Budget and CIP.

## **ADJOURNMENT**

There being no further business before the Board, Supervisor Elliott entertained a motion to adjourn. Supervisor Holmes made a motion that the Board continues their meeting to Thursday, April 30, 2020 at 6:00 P.M. during which a virtual meeting will be held to continue budget discussions and further action. The motion was seconded by Supervisor Calhoun and unanimously approved by roll call vote.

**SUPERVISOR ROBERT ELLIOTT, JR.**  
**SUPERVISOR MICHAEL DREWRY**  
**SUPERVISOR JUDY S. LYTTLE**  
**SUPERVISOR KENNETH R. HOLMES**  
**SUPERVISOR WILLIAM CALHOUN**

**AYE**  
**AYE**  
**AYE**  
**AYE**  
**AYE**

*Meeting adjourned at 7:21 P.M.*

## BOARD OF SUPERVISORS AGENDA ITEM REQUEST FORM

**Department:** Administration

**Department Head:** Lauren  
Chapman, Administration

**Meeting Date Requested:** April 23, 2020

### STATEMENT OF THE ISSUE:

FY20-21 Proposed Budget Discussion

### ITEM

Discussion

**Is this a budgeted item?**

Yes

**If yes, include budgeted amount Total Project Cost**

n/a

n/a

### RECOMMENDED ACTION:

Review and discuss

### Description of Presented Item

A discussion of the Proposed FY20-21 Operating Budget and Capital Improvement plan presented to the Board at the April 16, 2020 virtual Board of Supervisors Meeting. Please find the original documents presented April 16, 2020 attached for your reference.

<Additional supporting documents will be added prior to the start of the 4-23-2020 meeting per Administration. This agenda item will be updated when documents made available. (4-21-2020)>

Updated Final Documents added 4-23-2020.

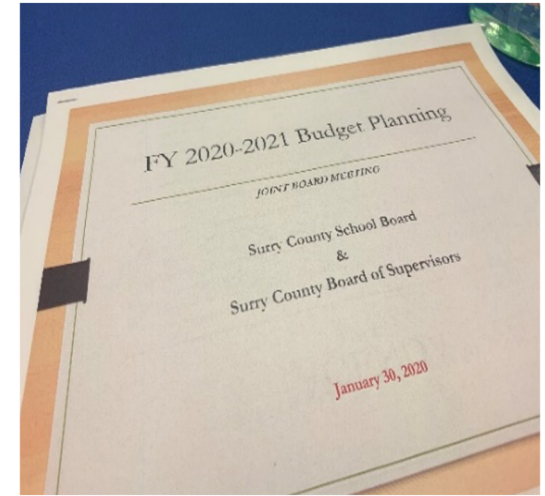
[CA Budget Presentation FINAL 4-23-2020.pdf](#)

[CA Budget Presentation FINAL2 4 23 2020.pdf](#)

[CA Budget Presentation 04.16.20 Final.pdf](#)

[FY 20 21 County Administrators Proposed Budget 4 16.20 Final.pdf](#)





# FY2020-21 Budget

Board of Supervisors Work Session  
April 23, 2020

# County Administrator's Recommended Budget

Recommended Budget was \$1.645 million less than requests

	FY20	FY21	FY21	FY21 NOT
	BUDGET	REQUESTED	RECOMMENDED	RECOMMENDED
PERSONNEL	6,170,269	7,142,351	6,492,797	649,554
PURCHASED SVCS	1,679,096	1,992,231	1,839,603	152,628
MATERIALS & SUPPLIES	357,251	379,477	353,377	26,100
OTHER	971,074	1,008,566	839,716	168,850
OUTSIDE AGENCIES	1,148,394	1,241,165	1,093,774	147,391
CAPITAL OUTLAY	58,350	79,600	55,600	24,000
TRANSFERS OUT	18,094,287	18,815,241	18,339,012	476,229
<b>TOTAL</b>	<b>\$ 28,478,721</b>	<b>\$ 30,658,631</b>	<b>\$ 29,013,879</b>	<b>\$ 1,644,752</b>

# FY 21 Requested Personnel Not Included with Proposed Budget

- Sheriff:
  - 6 Deputies
  - Court Security
  - Secretarial Assistant
- Clerk of the Circuit Court
  - Additional pay for staff
- Registrar:
  - Convert Deputy Registrar from part time to full time
- Parks & Recreation
  - Convert Athletic Coordinator from part time to full time
  - Part time maintenance staff
- Economic Development
  - Convert Economic Development Assistant from part time to full time
- Tourism
  - Add second part time Visitor Center representative

# Outside Agency Requests

	FY20 Adopted	FY21	FY21	FY21
Agency	Budget	Requested	CA Recommended	Unfunded
Crater Crim Justice Academy	12,891	13,282	13,282	0
Claremont Fire Department	50,000	63,600	50,000	13,600
Dendron Fire Department	60,000	63,600	60,000	3,600
Surry Fire Department	55,000	63,000	55,000	8,000
Surry Rescue Squad	75,000	84,800	80,000	4,800
Surry Rescue Squad - Ambulance Bill	20,000	20,000	17,000	3,000
Department of Forestry	12,978	12,978	12,978	0
Chesterfield Med Flight	200	100	100	0
Adult Incarceration	200,012	218,868	218,868	0
Juvenile Detention	44,253	43,484	43,484	0
Riverside Criminal Justice Agency	9,230	7,681	7,681	0
HR Metro Medical Response System	1,335	1,317	1,317	0
ODEMSA	850	1,335	808	528
Health Department	209,664	209,664	209,664	0
Surry Free Clinic	8,000	0	0	0
District 19 CSB	66,051	70,120	62,748	7,372

# Outside Agency Requests (Cont)

Agency	FY20 Adopted Budget	FY21 Requested	FY21 CA Recommended	FY21 Unfunded
Crater Agency on Aging	4,000	10,000	0	10,000
SSG Improvement Association	44,604	44,604	42,378	2,226
John Tyler Community College	1,313	1,299	1,299	0
Virginia State University	2,500	2,500	1,500	1,000
Blackwater Regional Library	150,154	173,695	142,646	31,049
Crater PDC	6,000	5,717	5,717	0
Hampton Roads PDC	10,000	9,363	9,363	0
Hampton Roads Clean	500	462	462	0
Chowan River Basin	8,767	8,767	0	8,767
Sussex Housing Program	2,000	10,000	0	10,000
Longwood Small Bus Dev Center	2,500	2,700	1,250	1,450
Virginia Gateway Region	41,229	41,229	31,229	10,000
Williamsburg Area Transit	40,000	40,000	20,000	20,000
Peanut, Soil & Water	11,000	12,000	5,000	7,000
James House (new request for FY21)	0	5,000	0	5,000
<b>TOTAL</b>	<b>\$ 1,150,031</b>	<b>\$ 1,241,165</b>	<b>\$1,093,774</b>	<b>\$147,391</b>



# Closing Gap Without RE Tax Rate Increase

- Two options for closing gap: Cut expenditures and/or increase revenue
- Options for eliminating 1 cent, 2 cents and all 3 cents of the proposed tax rate increase are shown on next slides
- Surry compares favorably to surrounding communities on other tax/fee rates, and there are options for other taxes and fees
  - Meals Tax (new legislation)
  - Personal Property
  - Machinery and Tools
  - Vehicle License Fee
  - Cigarette Tax (new legislation)

# Closing Gap Without RE Tax Rate Increase – Spending Cuts

	Cut from Recommended Budget		
	Three Cents	Two Cents	One Cent
<u>Full time positions</u>			
HR Manager	\$ 80,832	\$ 80,832	\$ -
Special Assistant to the County Administrator	81,436	81,436	-
Sheriff Investigator	66,583	66,583	-
School Resource Officer	64,066	-	-
Vacant Treasurer Clerk	46,455	-	-
<u>Part time funding</u>			
Commissioner of Revenue	\$ 6,162	\$ 2,342	\$ 2,033
Treasurer	-	-	-
Registrar	3,687	1,401	1,217
Clerk of the Circuit Court	14,758	5,608	4,870
Finance	1,116	1,116	1,116
Bldg Inspections	1,236	1,236	1,236
Asst EMS Coordinator	8,362	8,362	8,362
Remove add'l hours for Tourism	3,382	3,382	3,382
Remove add'l hours for Workforce	2,233	2,233	2,233
Reduce PT Sanitation workers to 25 hours/wk	38,301	38,301	38,301
<u>Transfers Out</u>			
Reduce Schools by local share of 2.5% raise	\$ 100,000	\$ 52,985	
Transfer to CSA Fund	\$ 35,000	\$ 7,264	\$ 6,052
Transfer to VPA Fund	25,000	25,000	25,000

# Closing Gap Without RE Tax Rate Increase – Spending Cuts

	Cut from Recommended Budget		
	Three Cents	Two Cents	One Cent
<u>Other Cuts to Departments</u>			
BOS	\$ 5,500	\$ 5,500	\$ 5,500
County Admin	3,101	3,101	3,101
Finance	1,000	1,000	1,000
Computer	33,000	33,000	33,000
Registrar	2,000	2,000	2,000
district court	2,300	2,300	2,300
Magistrate	725	725	725
Sheriff	11,500	11,500	11,500
E-911	500	500	500
Animal Control	1,438	1,438	1,438
Maintenance	16,043	7,292	7,292
Econ Dev	500	500	500
Tourism	5,730	5,730	5,730
OOY	6,250	6,250	6,250
Workforce	150	150	150



# Closing Gap Without RE Tax Rate Increase – Spending Cuts

	Cut from Recommended Budget		
	Three Cents	Two Cents	One Cent
<u>Additional Cuts to Outside Agencies/Contingency</u>			
Reduce Contingency to \$50K	\$ 50,000	\$ 50,000	\$ 50,000
Surry Rescue Squad	5,000	5,000	5,000
Eliminate funding for JTCC and VCU	2,799	2,799	2,799
Eliminate Transit Service	20,000	20,000	20,000
Improvement Association	2,226	2,226	2,226
Blackwater Regional Library	12,601	12,601	12,601
Eliminate Longwood Small Business Development Ctr	1,250	1,250	1,250
Virginia Gateway Region	10,615	10,615	10,615
Eliminate Peanut, Soil and Water	5,000	5,000	5,000
<b>TOTAL - ALL REDUCTIONS</b>	<b>\$ 777,837</b>	<b>\$ 568,558</b>	<b>\$ 284,279</b>
ADDITIONAL REVENUE:			
Implement Meals Tax	\$ 80,000	\$ 80,000	\$ 80,000
<b>TOTAL CUTS/REVENUE</b>	<b>\$ 857,837</b>	<b>\$ 648,558</b>	<b>\$ 364,279</b>

# Closing Gap Without RE Tax Rate Increase – Revenue Options

- New Legislation in final stages allows counties to levy taxes by vote of the Board of Supervisors:
  - Meals Tax – up to 6%
    - Potential Revenue Impact - \$80,000
  - Cigarette Tax – up to 2 cents per cigarette – revenue impact unknown right now
- Other taxes/fees where County is low compared to neighbors:
  - Personal Property Tax – 25 cent increase, to \$4.25 would generate \$130,000
  - Vehicle License Fee - \$5 increase, to \$25, would generate \$33,000
  - Machinery & Tools tax - \$1.00 increase, to \$2.00, would generate \$28,000

**TOTAL POTENTIAL REVENUE: \$271,000**

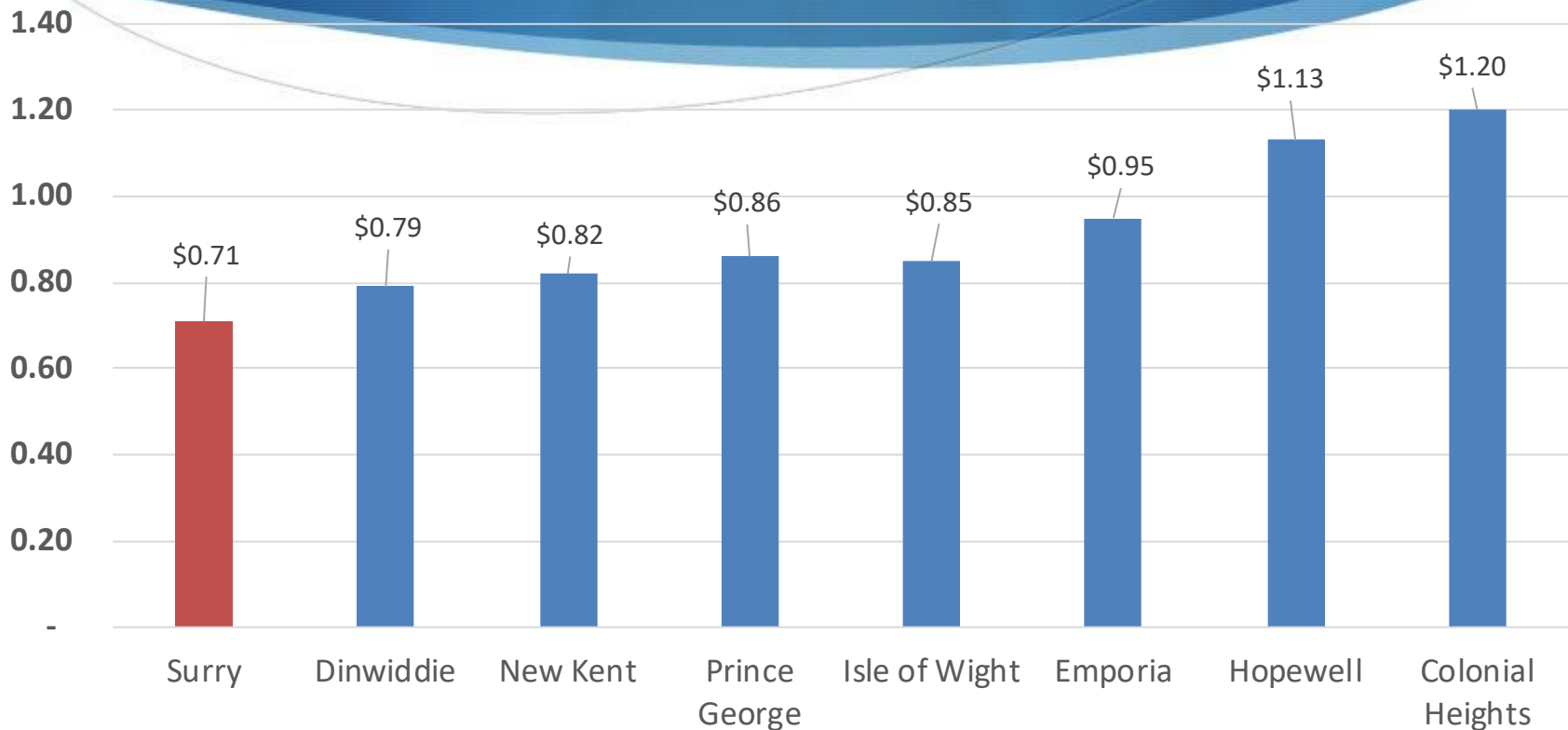
# Closing Gap Without RE Tax Rate Increase – Revenue Options

- Revenue changes already included in Proposed Budget:
  - Sheriff Fee for Courtroom Security – increase from \$10 to \$20
    - Estimated revenue - \$10K
  - Planning Fees (various)
    - Estimated revenue - \$15K
  - EMS Ambulance Billing Recovery - \$23K – (insurance recovery)
    - BLS from \$450 to \$500
    - ALS from \$525 to \$600
    - ALS2 from \$725 to \$825

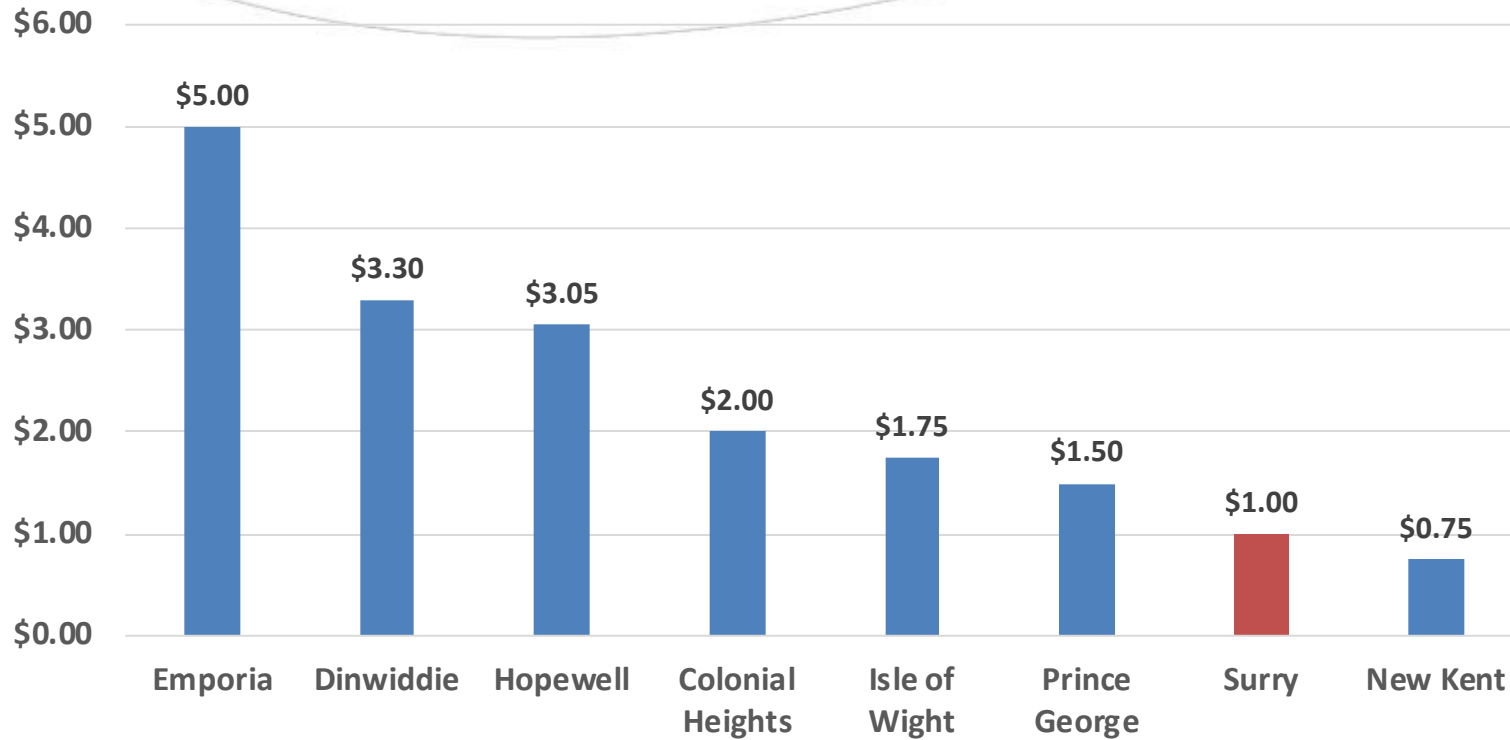
# Closing Gap Without RE Tax Rate Increase – Revenue Options

- Real Estate Tax Rate increase is least regressive and has least impact on Surry County Citizens, as Public Service Corporations generate over 2/3 of increased revenue
- Meals tax would compare favorably to surrounding communities, and revenue would be generated in part by visitors

# Real Estate Tax Rate Per \$100 of Assessed Value



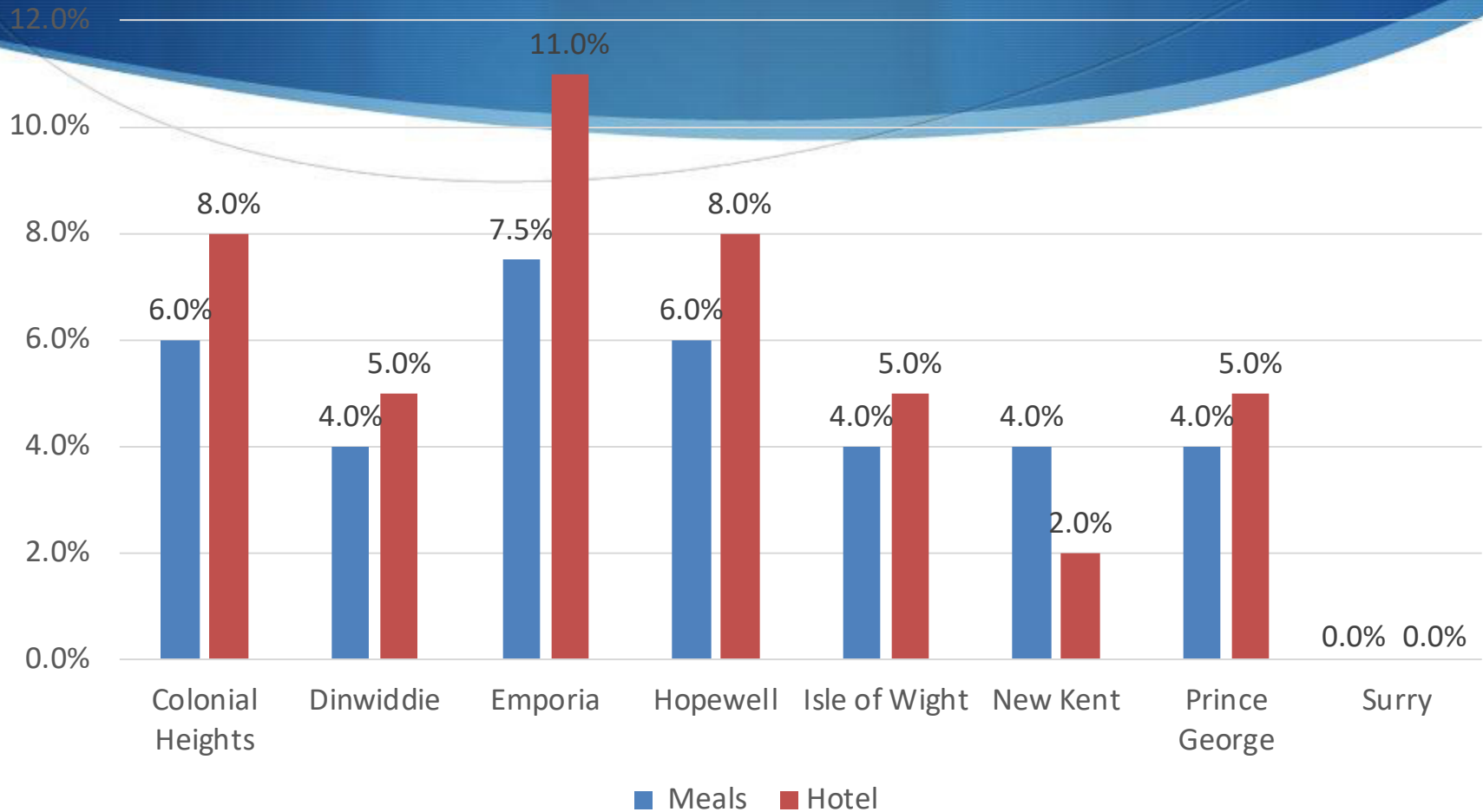
# Machinery and Tools Tax



# Personal Property Tax Rate Vehicles and Business

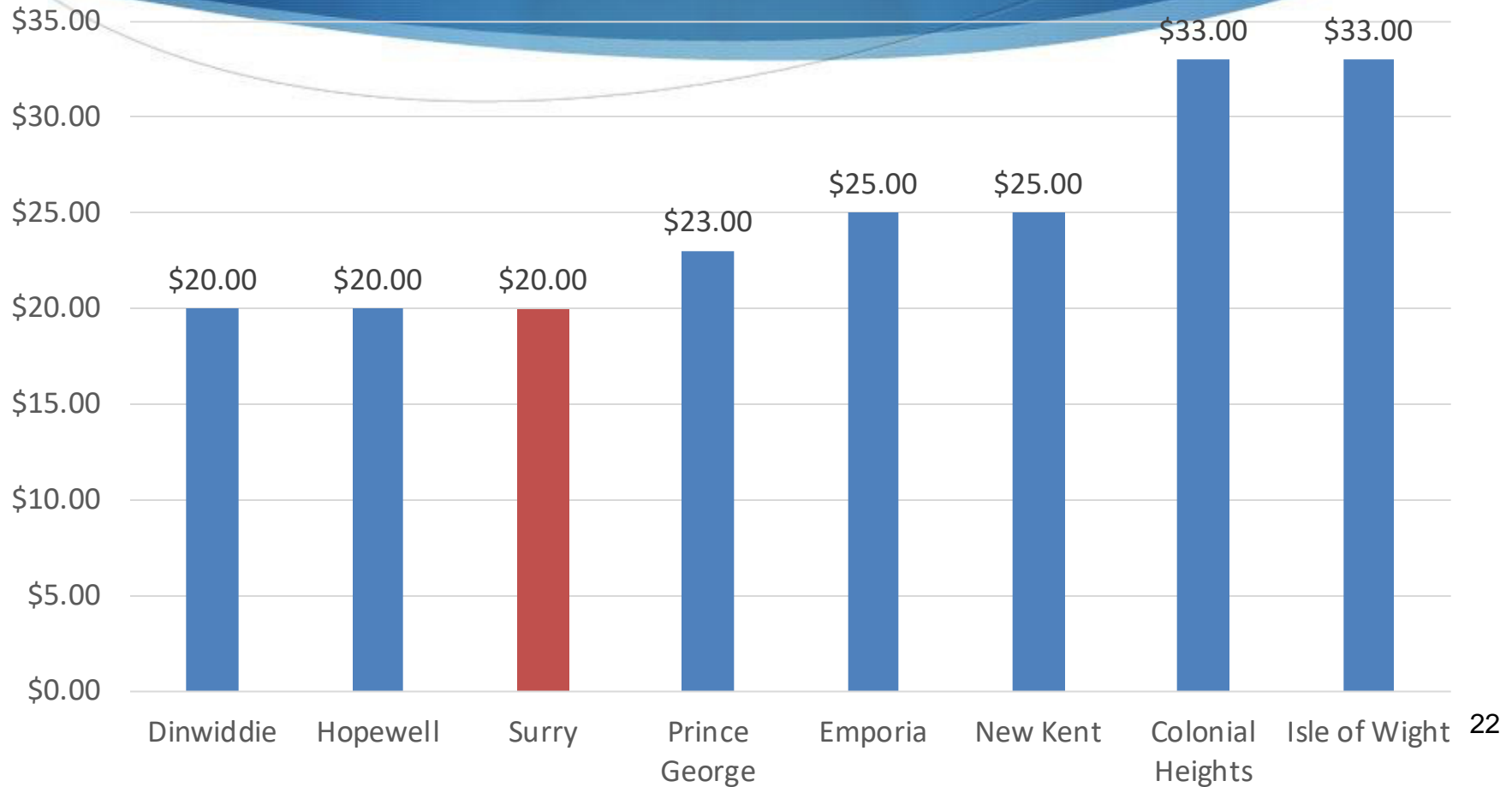


# Meals and Hotel Tax Rates





# Motor Vehicle License Fee (Under 4,000 lb)



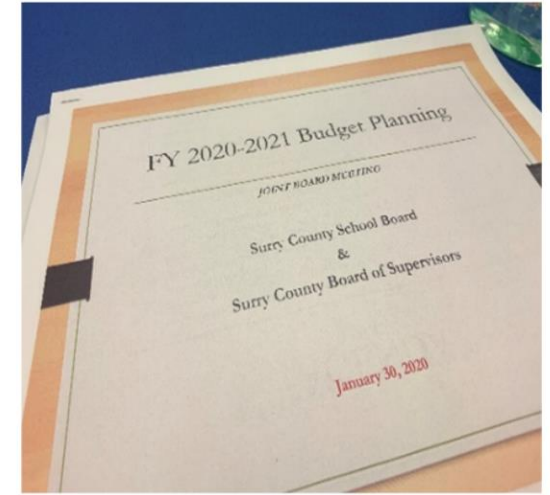
# Feedback Requested from Board

- Which options to close gap have consensus of Board?
- Taxes and Fees to advertise for Public Hearing?
- Any services being provided by County that can be considered for reduction or elimination?

# Next Steps

<u>Date</u> Subject to Change	Day	Action Item
April 23, 2020 <sup>(1)</sup>	Thursday	<ul style="list-style-type: none"> <li>6:00 P.M. - <b>Budget Work session #1</b> with the Board of Supervisors</li> </ul>
April 24, 2020	Friday	<ul style="list-style-type: none"> <li>Release Advertisement for Public Hearing to the Local Paper</li> </ul>
April 27, 2020 <sup>(1)</sup>	Monday	<ul style="list-style-type: none"> <li><i>Planning Commission considers Proposed Capital Improvement Program at its regular meeting</i></li> </ul>
April 29, 2020	Wednesday	<ul style="list-style-type: none"> <li>FY 20-21 Proposed Budget is Published in the Local Paper</li> </ul>
May 7, 2020	Thursday	<ul style="list-style-type: none"> <li>Regular Board of Supervisors Meeting</li> <li>Board of Supervisors Conducts Public Hearing on the FY 20-21 Proposed Budget</li> </ul>
May 14, 2020	Thursday	<ul style="list-style-type: none"> <li>7:00 P.M. Board of Supervisors considers action on FY20-21 Budget, sets tax rates and adopts Budget Resolutions</li> </ul>

<sup>(1)</sup> Tentative



# FY2020-21 Budget

Board of Supervisors Work Session  
April 23, 2020

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Workforce	150	150	150

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  - Personal Property Tax – 25 cent increase, to \$4.25 would generate \$130,000
  - Vehicle License Fee - \$5 increase, to \$25, would generate \$33,000
  - Machinery & Tools tax - \$1.00 increase, to \$2.00, would generate \$28,000

**TOTAL POTENTIAL REVENUE: \$271,000**

# Closing Gap Without RE Tax Rate Increase – Revenue Options

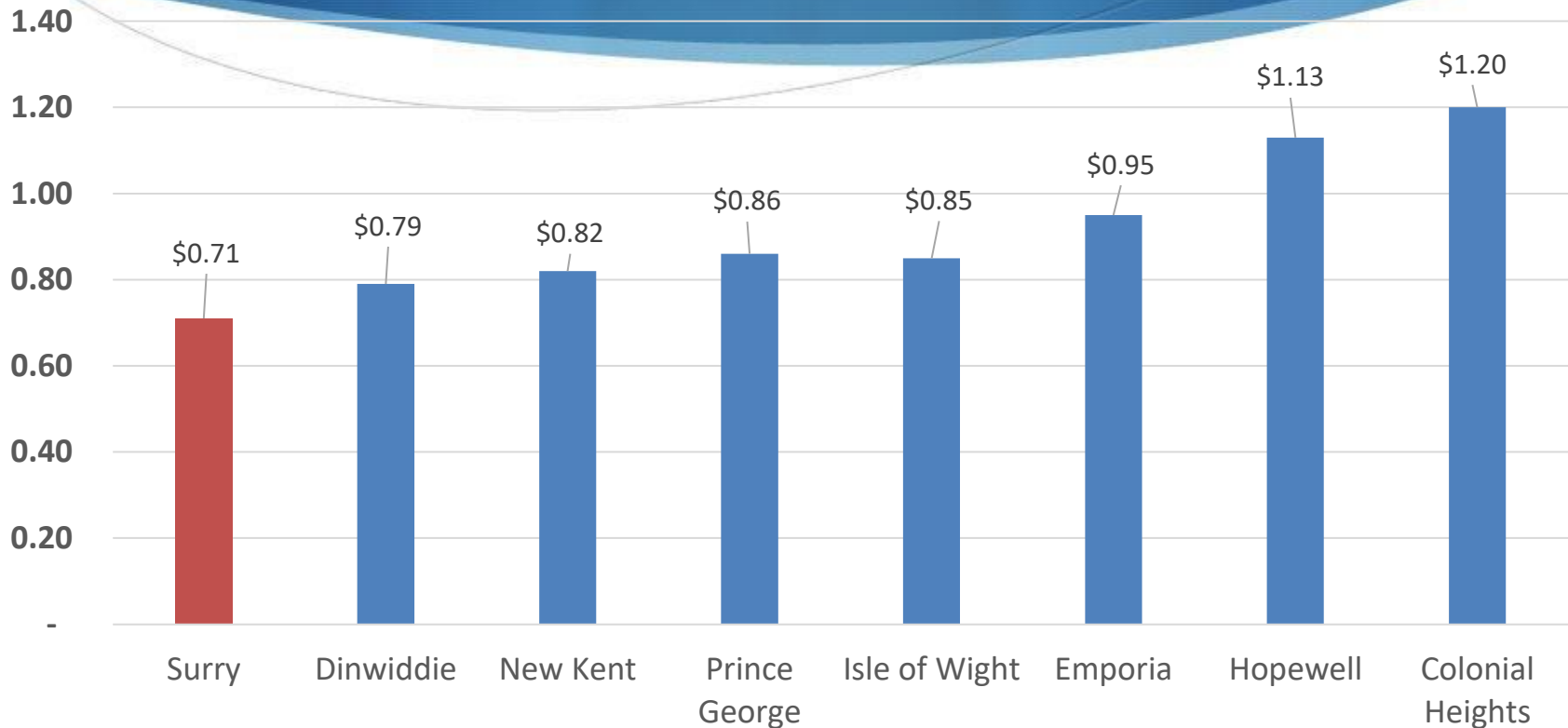
- Revenue changes already included in Proposed Budget:
  - Sheriff Fee for Courtroom Security – increase from \$10 to \$20
    - Estimated revenue - \$10K
  - Planning Fees (various)
    - Estimated revenue - \$15K
  - EMS Ambulance Billing Recovery - \$23K – (insurance recovery)
    - BLS from \$450 to \$500
    - ALS from \$525 to \$600
    - ALS2 from \$725 to \$825

# Closing Gap Without RE Tax Rate Increase – Revenue Options

- Real Estate Tax Rate increase is least regressive and has least impact on Surry County Citizens, as Public Service Corporations generate over 2/3 of increased revenue
- Meals tax would compare favorably to surrounding communities, and revenue would be generated in part by visitors

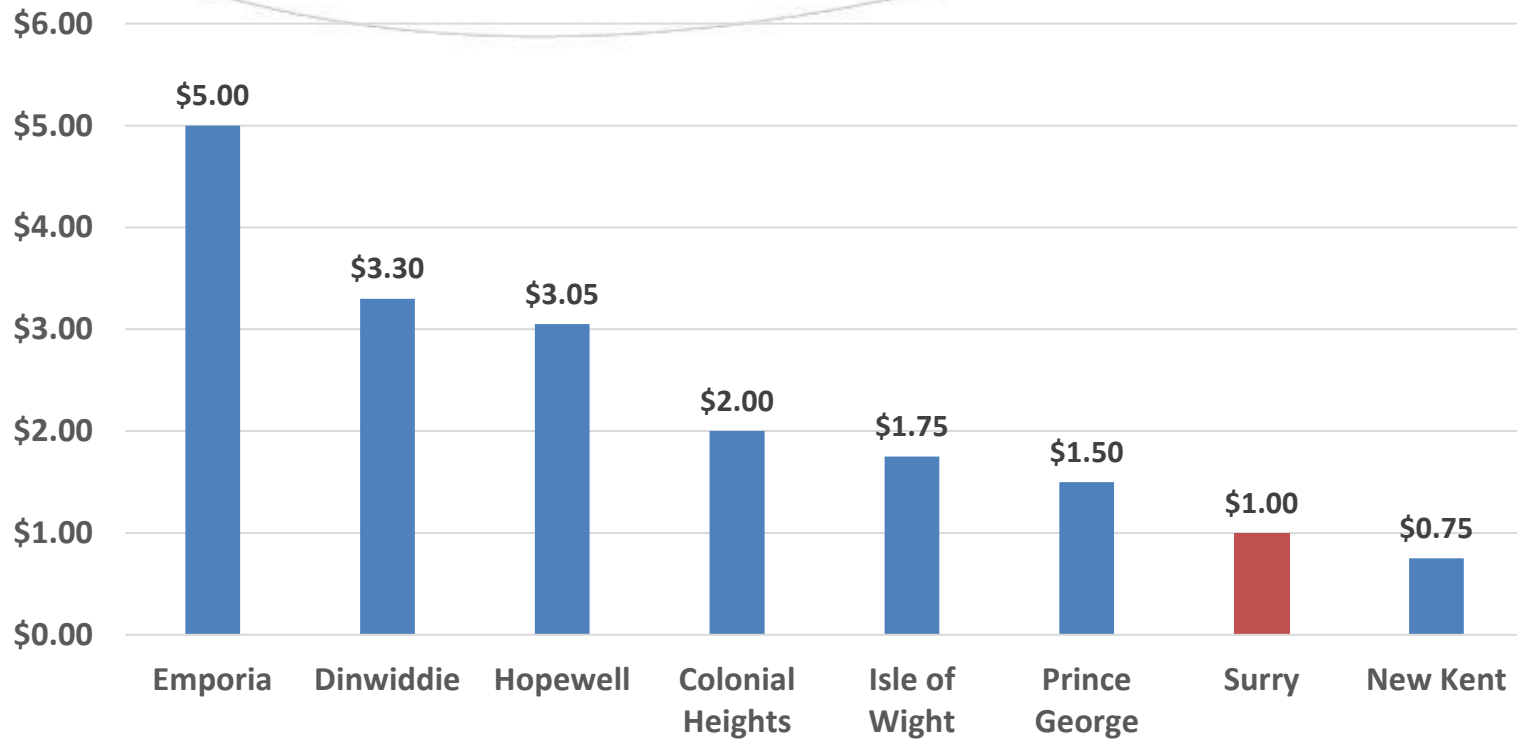


# Real Estate Tax Rate Per \$100 of Assessed Value





# Machinery and Tools Tax



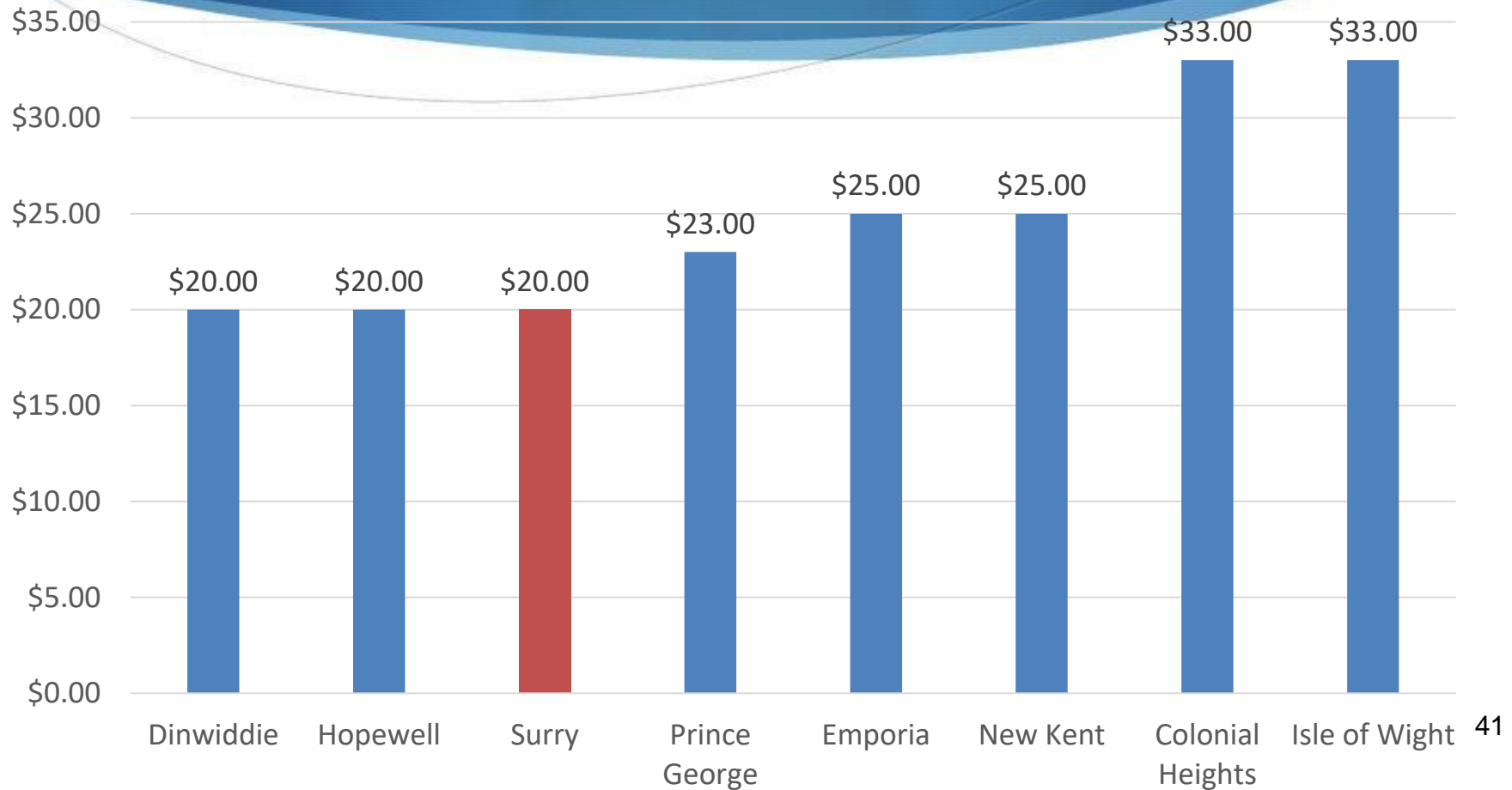
# Personal Property Tax Rate Vehicles and Business



# Meals and Hotel Tax Rates



# Motor Vehicle License Fee (Under 4,000 lb)



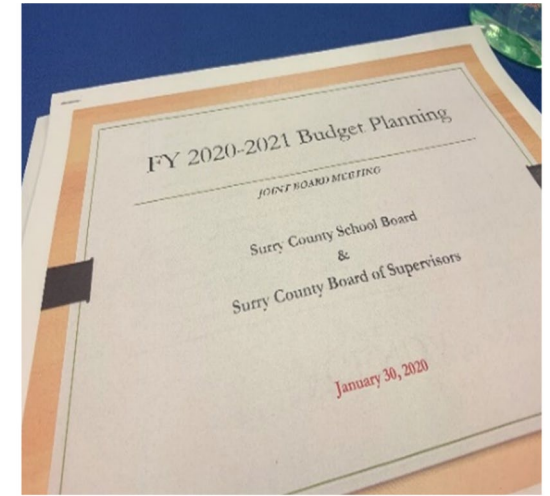
# Feedback Requested from Board

- Which options to close gap have consensus of Board?
- Taxes and Fees to advertise for Public Hearing?
- Any services being provided by County that can be considered for reduction or elimination?

# Next Steps

<u>Date</u> <u>Subject to Change</u>	<u>Day</u>	<u>Action Item</u>
April 23, 2020 <sup>(1)</sup>	Thursday	<ul style="list-style-type: none"> <li>6:00 P.M. - <b>Budget Work session #1</b> with the Board of Supervisors</li> </ul>
April 24, 2020	Friday	<ul style="list-style-type: none"> <li>Release Advertisement for Public Hearing to the Local Paper</li> </ul>
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<sup>(1)</sup> Tentative



# County Administrator's Proposed FY 20-21 Budget

Presented to the Board of Supervisors  
April 16, 2020



# Board of Supervisors Strategic Goals & Priorities

- ♦ “.... strive to maintain a strong commitment towards efficiency and effectiveness in County government and positively impact the public safety, health, education & welfare of the citizens of Surry through effective leadership and fiscal integrity. The Board will encourage the orderly growth and development of the community to enhance the quality of life for the citizens of Surry County”.

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Growth & Quality of Life

---

Fiscal Integrity w/Quality Services

---

Enhance Relationships

---

Informed citizenry

# Board of Supervisors Strategic Goals & Priorities

*Dialogue from the Board of Supervisors and county leadership after the 2020 retreat helped set the framework for a newly defined mission statement for the County.*

## **Mission Statement 2020**

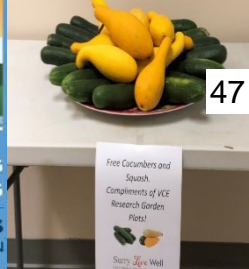
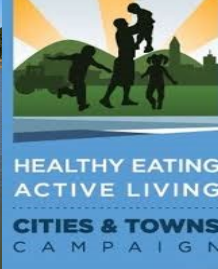
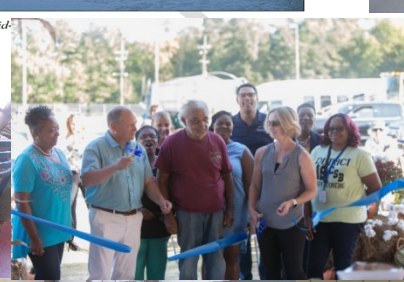
*We will exemplify and work with citizens to achieve **unity in the community**.*

*This is essential to maintaining a strong commitment towards efficient and effective operations and to positively impacting public safety, health & wellness, education, and overall quality of life of informed, engaged and participatory citizens and stakeholders of Surry County.*

- ☐ **COMMUNITY**
- ☐ **ECONOMIC  
DEVELOPMENT**
- ☐ **EDUCATION**
- ☐ **FISCAL RESPONSIBILITY**
- ☐ **TRANSPORTATION**



# HIGHLIGHTS & ACCOMPLISHMENTS





# Highlights & Accomplishments

- ❑ Successful 2020 Retreat Planning Session to include Engagement Day with all Department Heads
- ❑ Adopted a Code of Ethics & instituted Prayer at the BOS meetings aimed to bring unity in the community
- ❑ Increased Civic engagement efforts through enhanced transparency, website and social media, and report dissemination
- ❑ No issues reported -FYE June 30, 2019 Comprehensive Annual Financial Report – GFOA Award for Excellence in Financial Reporting .

# Highlights & Accomplishments

- ❑ Surry West Business Park – Tier 4 Ranking Status
- ❑ Grays Greek Designation in the VA Scenic River Programs
- ❑ Successfully administered two large scale utility solar applications
- ❑ SMART SCALE application seeking the inclusion of a sidewalk development project in the Town of Surry
- ❑ SMART SCALE – \$9.6 Mil Grant – Paved Shoulders on Route 31
- ❑ Grand Opening- New Farmers Market Pavilion
- ❑ National Night Out

# Highlights & Accomplishments

- ❑ Established a Litter Reduction Jail Diversion Program
- ❑ Improved the Real Estate Tax Relief for the Elderly Program
- ❑ Successful 2019 VOPEX Drill – No Areas for Corrective Action
- ❑ Reinstated the Emergency Operations Team – Whole Community Approach
- ❑ Formed Census Count Committee

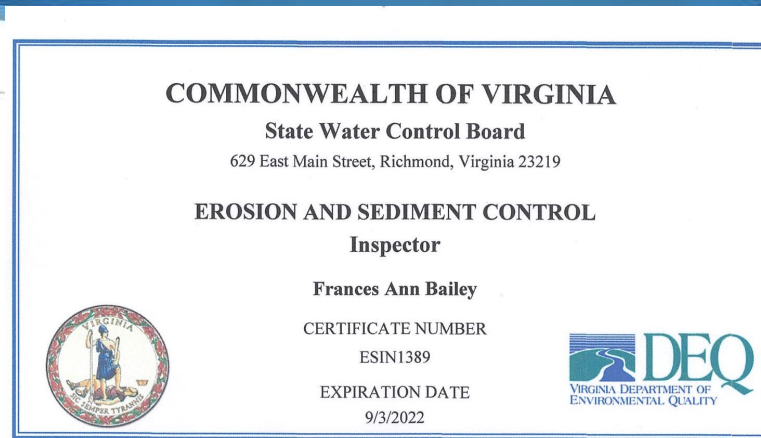
# Highlights & Accomplishments

- ❑ Successful Land Diversification Summit
- ❑ Business Appreciation Event
- ❑ Designation as a HEAL Community (Healthy Eating & Active Living)
- ❑ Community Wide Health & Wellness Program
- ❑ New Recreational Activities (Kayaking & Rec Racing) & Robust 4-H Programs & Activities
- ❑ Virginia Telecommunications Initiative- Grant Award - \$2.25 million for Broadband



# Highlights & Accomplishments

## Leadership Development



Judson Smith, Prehospital Care Committee  
911 Communications Representative  
VDH - Office of Emergency Medical Services



# Highlights & Accomplishments

- ❑ Summer Intern- Workforce Development Program
- ❑ Surry West Business Park – NEW BUSINESS ATTRACTION
- ❑ Business Appreciation Event – Recognizing Legacy and Newly Established Businesses
- ❑ State Inspection Animal Control Facilities – No Findings
- ❑ Youth & Family Resources Awarded Niagara Grant for Workforce & Youth Development Programs
- ❑ Facilitated BRAVO TV Visit to Surry County

# FY 21 PROPOSED BUDGET – Budget Basis

- ◆ Projected decline in overall revenue projections of 0.7%
  - ◆ Expected decrease in the County's primary revenue source, public service corporation tax, per the estimate from the State Corporation Commission. The decrease is due in part to a sales assessment ratio that is projected to be 99% instead of 100% of actual value
  - ◆ Decrease in projected interest income due to Fed action to slash interest rates in response to COVID-19 economic crisis.
- ◆ Proposed increase of 3 cents to real estate tax rate; no other tax rate increases
- ◆ Proposed increases in certain Planning Fees and Sheriff Fees
- ◆ PPTRA percentage remains at current level of 41% based on assessed values

# FY 21 PROPOSED BUDGET – Budget Basis

- Local funding for Schools increased by \$52,985, or 0.4%
- Budget is structurally imbalanced without either a tax rate increase or reduction in services
  - \$840,000 shortfall between ongoing costs and ongoing revenue = 3 cents on the real estate tax rate
  - This use of one-time revenue to pay for ongoing expenditures is contrary to Board policy and is not recommended
  - For FY2020-21, a penny on the tax rate would show a revenue increase of approximately \$280,000

# FY 21 PROPOSED BUDGET – Budget Basis

- ◆ In total, revenue shortfall and expenditure increases combined totaled \$1,075,200. These amounts were offset by reductions in other areas, for a net shortfall of \$840K
- ◆ Major drivers include:
  - ◆ Unbalanced budget from FY20: \$77,500
  - ◆ Revenue declines in public service corporation and interest income - \$406K
  - ◆ VRS and health insurance rate increases - \$165K
  - ◆ New positions/increased PT hrs for FY2020-21 - \$144,700
  - ◆ Ambulance services contract- \$131K
  - ◆ CSA cost increase due to increased services - \$112K
  - ◆ Jail/other cost increases - \$39K

# Budget Basis – Current Tax Rates

Tax Type	Current Rate	Estimate Revenue Per Penny	Percent of Total	Basis of Value
Real Estate-Residential*	<b>\$0.71</b>	\$89,650	31.0%	One cent
Real Estate-Public Service	<b>\$0.71</b>	\$194,632	69.0%	One cent
TOTAL		<b>\$284,282</b>	<b>100.0%</b>	

\*Paid by Surry Citizens

PPTRA Relief Percentage – Remain the same at 41%  
Personal Property Tate Rate since 2010 - \$4.00



# Assessed Value of Real Property

<u>Year</u>	<u>Assessed Value</u>	<u>Tax Rate</u>
2019	\$949,954,600	\$ 0.71
2018	927,483,200	0.71
2017	923,146,000	0.71
2016*	917,943,500	0.71
2015	890,958,700	0.73
2014	885,879,900	0.73
2013	884,724,200	0.73
2012	878,370,600	0.73
2011	875,984,300	0.73
2010*	872,027,400	0.73
2009	863,002,400	0.70

Change in Real Property  
Assessed Value Over  
Ten Year Period  
9.1%

\*Reassessment Year



# Assessed Value of Other Property

Fiscal Year	Personal Property	Machinery & Tools	Public Service
2019	\$ 56,830,130	\$ 2,255,765	\$ 1,892,813,173
2018	54,401,525	2,366,490	1,927,140,899
2017	53,527,229	2,876,946	1,937,479,967
2016	51,381,116	2,228,648	1,785,663,243
2015	50,593,919	2,246,971	1,807,206,155
2014	49,970,173	2,192,651	1,824,746,203
2013	50,293,488	1,733,938	1,783,632,381
2012	50,829,529	1,720,460	1,671,151,050
2011	49,490,806	2,023,995	1,554,628,083
2010	47,762,566	2,220,830	1,478,178,593
2009	53,042,606	3,058,587	1,514,744,019

Change Over a 10 Year Period

Personal Prop=  
+ 6.6%

Machinery &  
Tools =  
-36%

Public Service =  
+20%

# Impact of Proposed 3 Cent Tax Rate Increase

Home Assessed Value	Tax at 71 cents	Tax at 74 cents	Difference	Monthly
\$ 140,000.00	\$ 994.00	\$ 1,036.00	\$ 42.00	\$ 3.50
150,000.00	1,065.00	1,110.00	45.00	3.75
175,000.00	1,242.50	1,295.00	52.50	4.38
200,000.00	1,420.00	1,480.00	60.00	5.00

# GENERAL FUND HIGHLIGHTS



Supervisor Calhoun-Easter  
Social Distancing Greetings



Professional Services  
Mr. Woodard & the  
Maintenance Team



PGEC Broadband  
Community Meeting



Surry Garden Club  
At the Pavilion

# General Fund Highlights

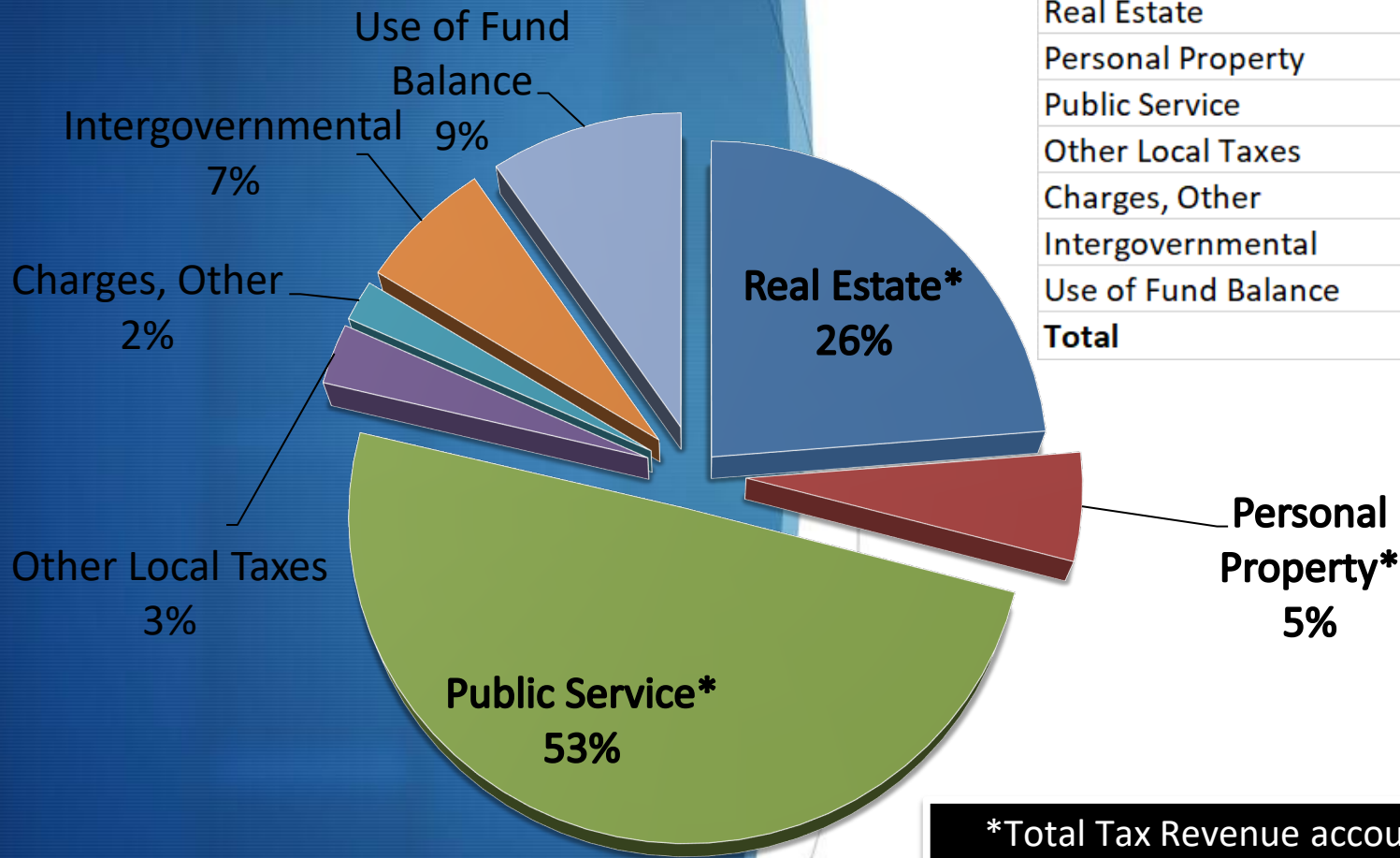
- ◆ **BALANCED BUDGET ALL FUNDS - -\$58,815,986**
- ◆ **Proposed General Fund of \$29,013,879 including transfers to other funds of \$18,339,012**
- ◆ Public Service Corporation taxes - \$14,402,732; projecting a 99.0% ratio
- ◆ School Funding (including cafeteria) - \$12,492,985; FY20 local share request was \$12,692,985, an increase of \$252,985 or 2.0%.
- ◆ VPA Funding - \$500,000 – VPA Request was \$776,229



# General Fund Highlights, Continued

- ◆ Contingency of \$100,000 – consistent with prior years
- ◆ Virginia Retirement System (VRS) rates increase by 39%
- ◆ Health insurance premiums are increasing by 4.8%
- ◆ Recommended new positions:
  - ◆ HR Manager
  - ◆ Codes Compliance Officer
  - ◆ Part-time hours for Farmers Market, Tourism, Workforce to support Economic Development activity in Surry
  - ◆ Special Asst to County Administrator to replace unfunded Asst. County Administrator position

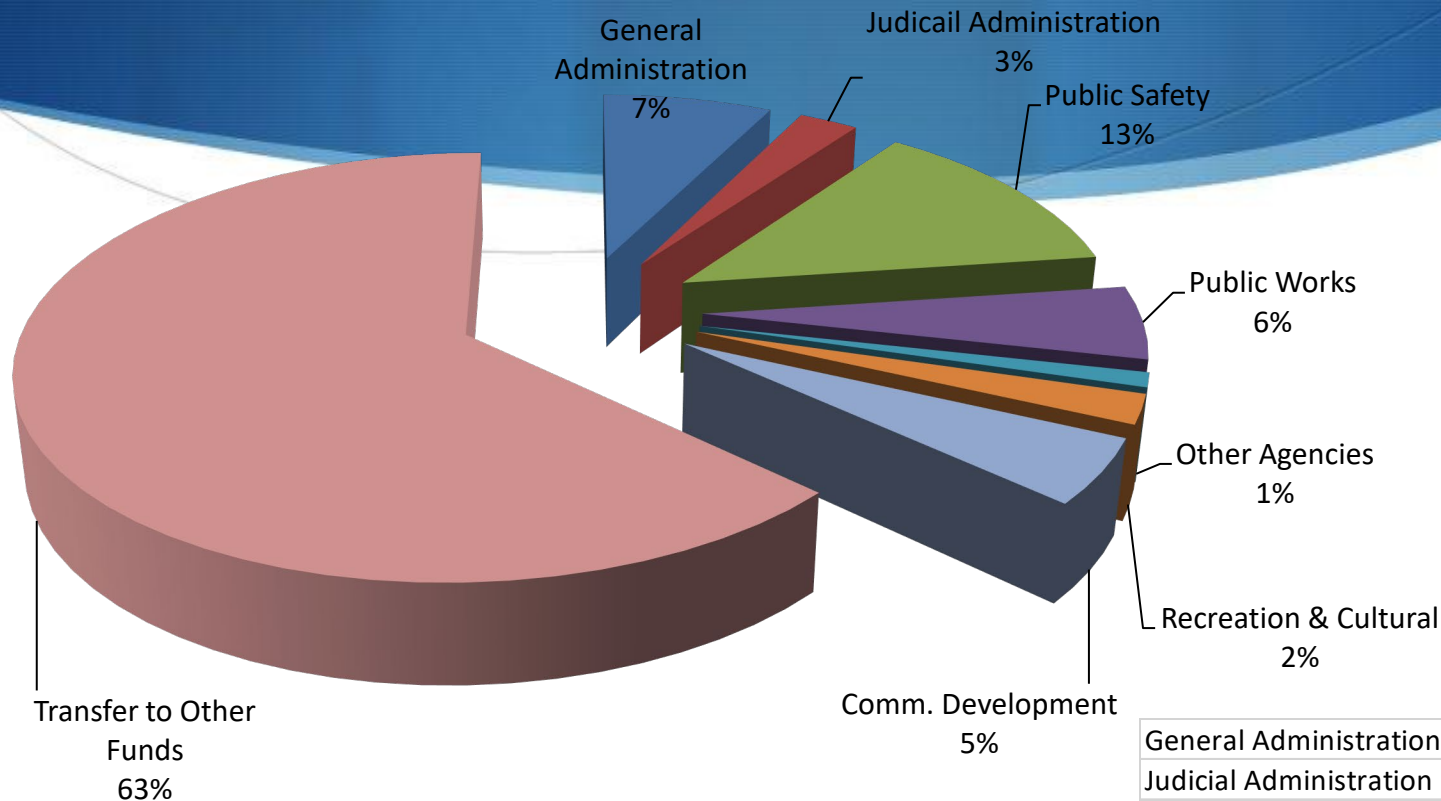
# Revenue by Source



Real Estate	\$ 6,883,944
Personal Property	1,562,801
Public Service	14,402,732
Other Local Taxes	875,000
Charges, Other	590,685
Intergovernmental	1,933,701
Use of Fund Balance	2,765,016
<b>Total</b>	<b>\$ 29,013,879</b>

\*Total Tax Revenue accounts for 87% of total revenue

# Components of General Fund Expenditures



Budget net of transfers = \$10.67 mil,  
of which 59% is personnel related  
costs

General Administration	\$ 2,142,343
Judicial Administration	747,387
Public Safety	3,734,952
Public Works	1,639,693
Other Agencies	321,589
Recreation & Cultural	653,497
Comm. Development	1,435,406
Transfer to Other Funds	18,339,012
<b>Total</b>	<b>\$ 29,013,879</b>



# Proposed Local Revenues

Revenue Type	FY20 Adopted		FY21 Budget		\$ Change		% Change
Property Taxes	\$	22,051,589	\$	22,964,476	\$	912,887	4.1%
Other Local Taxes		710,000		760,000		50,000	7.0%
Permits, Licenses		32,800		32,800		0	0.0%
Fines & Forfeitures		45,000		40,000		(5,000)	-11.1%
Use of \$ & Property		478,526		187,626		(290,900)	-60.8%
Charges for Services		74,150		78,450		4,300	5.8%
Misc. Revenue		249,325		250,810		1,485	0.6%
Recovered Costs		200		1,000		800	400%
<b>Total Local Revenue</b>	<b>\$</b>	<b>23,641,590</b>	<b>\$</b>	<b>24,315,162</b>	<b>\$</b>	<b>673,572</b>	<b>2.8%</b>
							66

# General Fund

## Proposed Intergovernmental Revenues

Revenue Type	FY20 Adopted		FY21 Budget		\$ Change		% Change
State:							
Non-Categorical Aid	\$	752,907	\$	742,907	\$	(10,000)	-1.3%
Shared Expenses		1,008,751		1,008,751		0	0.0%
Categorical Aid		186,355		182,043		(4,312)	-2.3%
Total State Revenue	\$	1,948,013	\$	1,933,701	\$	(14,312)	-0.9%
Federal:							
Categorical Aid	\$	4,000	\$	0	\$	(4,000)	-100.0%
Total State/Federal	\$	1,952,013	\$	1,933,701	\$	(18,312)	-0.9%
<b>Total Revenue*</b>	<b>\$</b>	<b>25,593,603</b>	<b>\$</b>	<b>26,248,863</b>	<b>\$</b>	<b>655,260</b>	<b>2.6%</b>

\*excludes use of reserves

## Proposed Changes in Positions

- ◆ New Full Time Positions Requested:
  - ◆ Human Resources Manager
  - ◆ Codes Compliance Officer
  - ◆ Special Asst to County Admin  
replaces unfunded Asst. County  
Admin position
- ◆ Additional Part Time Hours:
  - ◆ Farmers Market
  - ◆ Tourism - +4 hrs/wk
  - ◆ Workforce - +4 hrs/wk

PERSONNEL OPERATING BUDGET IMPACT	
New positions/hours	\$144,700
VRS/Health Insurance Increase	165,000
Total	\$309,700

# General Fund, Proposed Expenditures

Function	FY20 Budget		FY21 Budget		\$ Change		% Change
General Administration	\$	2,115,592	\$	2,142,343	\$	26,751	1.3%
Judicial Administration		738,956		747,387		8,431	1.1%
Public Safety		3,458,404		3,734,952		276,548	8.0%
Public Works		1,660,277		1,639,393		(20,584)	-1.2%
Other Agencies		336,132		321,589		(14,543)	-4.3%
Recreation & Cultural		788,006		653,497		(134,509)	-17.1%
Comm. Development		1,214,104		1,435,406		221,302	18.2%
Trans to Other Funds		18,477,652		18,339,012		(138,640)	-0.8%
<b>General Fund Total</b>	<b>\$</b>	<b>28,789,123</b>	<b>\$</b>	<b>29,013,879</b>	<b>\$</b>	<b>224,756</b>	<b>0.8%</b> <sup>69</sup>

# FY21 Proposed Expenditures, Other Funds

Fund Type/Name	FY20Budget		FY21 Budget		\$ Change		% Change
<b>General Fund (from slide 12)</b>	\$	28,789,123	\$	29,013,879		224,756	0.8%
Debt Service Fund 700	\$	2,121,267	\$	2,123,391	\$	2,124	0.1%
<b>Special Revenue:</b>							
VA Public Assistance Fund 201		1,848,625		1,849,501		876	0.0%
Comp Services Act Fund 204		150,064		470,677		320,613	213.7%
School Fund 205 (incl cafeteria 207)		16,290,805		16,837,802		546,997	3.4%
Indoor Plumbing Rehab Fund 400		11,730		11,730		0	0.0%
Economic Development Fund 601		80,000		80,000		0	0.0%
<b>Capital:</b>							
Capital Fund 200		3,118,000		8,165,016		5,047,016	161.9%
<b>Enterprise:</b>							
Utilities Fund 800		142,750		162,850		20,100	14.1%
<b>Fiduciary:</b>							
Special Welfare Fund 350		38,640		42,852		4,212	10.9%
Asset Forfeiture		25,000		25,000		0	0%
Agency on Aging Fund 390	\$	32,288	\$	32,288	\$	0	0%
<b>TOTAL BUDGET</b>	\$	<b>52,648,292</b>	\$	<b>\$58,815,986</b>	\$	<b>6,167,694</b>	<b>11.7%</b>

# DEBT SERVICE HIGHLIGHTS

- ◆ Budget = \$2,123,391
- ◆ County Debt Service - \$1,864,836
- ◆ School Portion of Debt Service - \$235,555
- ◆ Anticipated New Borrowing in 5 Year CIP = \$13.8 million

Debt Service is in Compliance with County Policies:

- ◆ Net bonded debt shall not exceed 3% of the assessed valuation of real and personal property.
- ◆ General fund debt service expenditures should not exceed 12% of annual general fund expenditures. The County should maintain a target of 10% for this ratio.

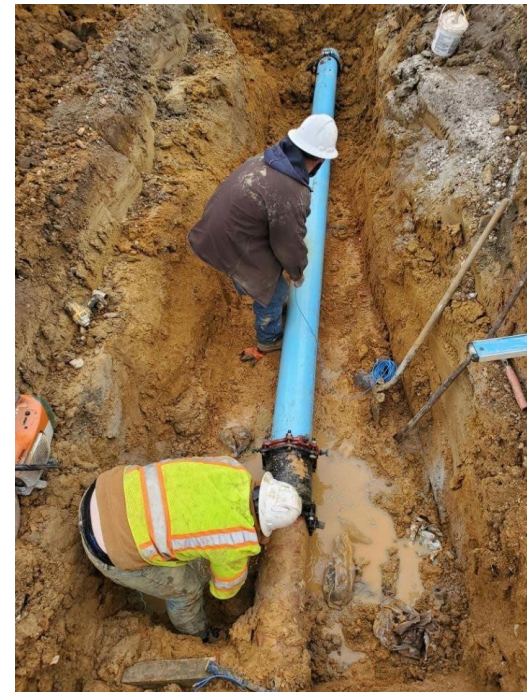
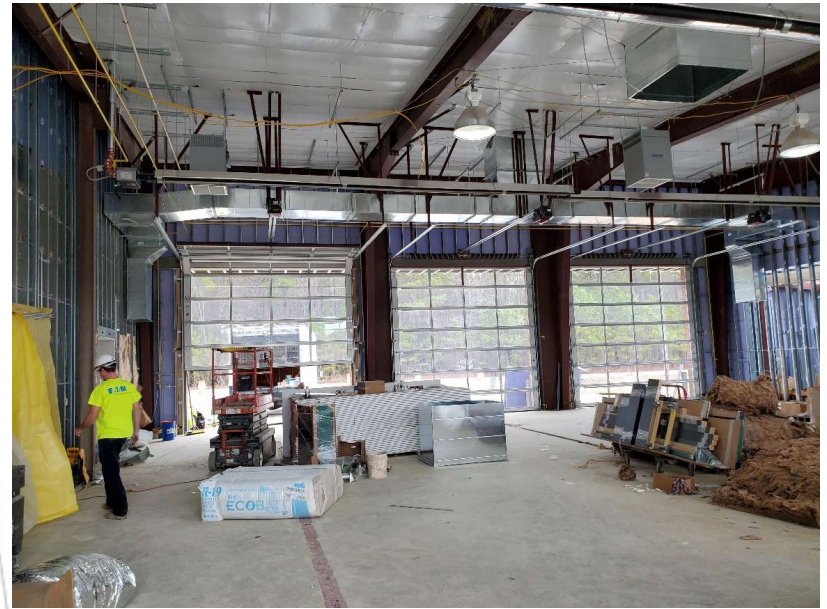
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# Budget Impact on Fund Balance

- Current fund balance policy permits spending only up to 25% of general fund expenditures.
  - Based on FY21 Budget of \$29.0 mil,  $25\% = \$7,253,470$
- Total fund balance is expected to decline in FY20 due to planned use of fund balance for budget but will be above policy guidelines. We propose to fund \$2,765,016 of the FY21 proposed capital projects General Fund balance, with the remaining \$100,000 from ongoing revenues, directed to large maintenance projects. The Schools are projected to return \$500,000 in FY20, which will offset the use of fund balance.



# CAPITAL PROJECT HIGHLIGHTS



## Five Year CIP - \$19.432 mil

Details can be found in the FY 21-25  
Capital Improvement Plan  
Document

### **Funding Sources:**

#### Carryover unspent School Funds

High School Electrical System	\$ 200,000
Fire Supression system	300,000
	<b>\$ 500,000</b>

#### New Debt:

Mobile Communication System	<b>\$ 5,300,000</b>
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#### Ongoing Revenue

Major Infrastructure Repair	<b>\$ 100,000</b>
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#### Fund Balance

Broadband (PGEC)	\$ 1,750,000
Technology Improvements	25,000
Major Infrastructure Repair	101,500
New Gas Pump System	35,000
Medic Unit Replacement	260,000
CAD/RMS System	93,516
	<b>\$ 2,265,016</b>

**TOTAL \$ 8,165,016**

### Capital Improvement Projects

#### **GENERAL GOVT ADMINISTRATION**

Broadband (PGEC)	\$ 1,750,000
Technology Improvements	25,000

#### **Total General Administration**

**\$ 1,775,000**

#### **FACILITY MAINTENANCE**

Major Infrastructure Repair	\$ 201,500
New Gas Pump System	35,000

#### **Total Public Works**

**\$ 236,500**

#### **PUBLIC SAFETY**

Medic Unit Replacement	\$ 260,000
Mobile Communication System	5,300,000
CAD/RMS System	93,516

#### **Total Public Safety**

**\$ 5,653,516**

#### **EDUCATION**

High School Electrical System	200,000
Fire Supression system	300,000

#### **TOTAL EDUCATION**

**\$ 500,000**

#### **TOTAL ALL PROJECTS**

**\$ 8,165,016**

# Next Steps

<u>Date</u> <u>Subject to Change</u>	Day	Action Item
April 23, 2020 <sup>(1)</sup>	Thursday	<ul style="list-style-type: none"> <li>6:00 P.M. - <b>Budget Work session #1</b> with the Board of Supervisors</li> </ul>
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(1) Tentative





# **Surry County FY 2020-2021** **County Administrator's Proposed Operating Budget** **FY 2021-2025 Five-Year Capital Improvement Program**





## Surry County Board of Supervisors

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*Robert L. Elliott, Chairman, Claremont District*

*Michael Drewry, Vice-Chair, Dendron District*

*Judy S. Lyttle, Bacon's Castle District*

*Kenneth R. Holmes, Carsley District*

*William T. Calhoun, Surry District*

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## Acting County Administrator

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*Melissa D. Rollins*

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### Form of Government

Surry County (County) operates under the traditional, or County Administrator, form of government (as defined under Virginia Law). The Board of Supervisors (Board) is a five-member body, elected by the voters of the Electoral District in which they live. The Chairman and Vice Chairman of the Board are elected annually by its members. Each member serves a four-year term. This body enacts ordinances, appropriates funds, sets tax rates, establishes policies and generally oversees the operation of the County government. The County Administrator is appointed by, and serves at the pleasure of, the Board of Supervisors. As the Chief Executive Officer of the County, he or she is responsible for developing an annual budget and carrying out policies and laws which are reviewed and approved by the Board. The County Administrator directs business and administrative policies and recommends to the Board those methods, procedures, and policies which will properly govern the County.



*Pictured: Judy Lyttle, Kenneth Holmes, Chairman-Robert Elliott, William Calhoun, Vice-Chair -Michael Drewry*

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*Department Directors & Supervisors*

---

**Carol Swindell**

*Interim Finance Director*

**William Saunders**

*Planning & Community Development*

**David Harrison**

*Economic Development*

**Ray Phelps**

*Chief of Emergency Management*

**Stanley Jones, III**

*Parks & Recreation*

**Ray Phelps**

*Chief of Emergency Management*

**LaJuene Stone**

*Dept. of Youth & Family Resources*

**Stacey Williams**

*Building Official*

**Rickey Woodard**

*Maintenance Supervisor*

**Hermione Slade**

*Solid Waste & Recycling*

**LaSonya White**

*VCE Unit Coordinator*

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*Constitutional Officers and State Officials*

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**Carlos Turner, Sheriff**

**Jonathan Judkins, Commissioner of the Revenue**

**Onike Ruffin, Treasurer**

**Gail Clayton, Clerk, Surry Circuit Court**

**Sharna' White, Registrar**

**Janeen Jackson, District Court Clerk**

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*School System & Social Services*

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*Dr. Serbrenia Simms, Division Superintendent  
Valerie Pierce, Director of Surry Social Services*



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## ABOUT SURRY COUNTY

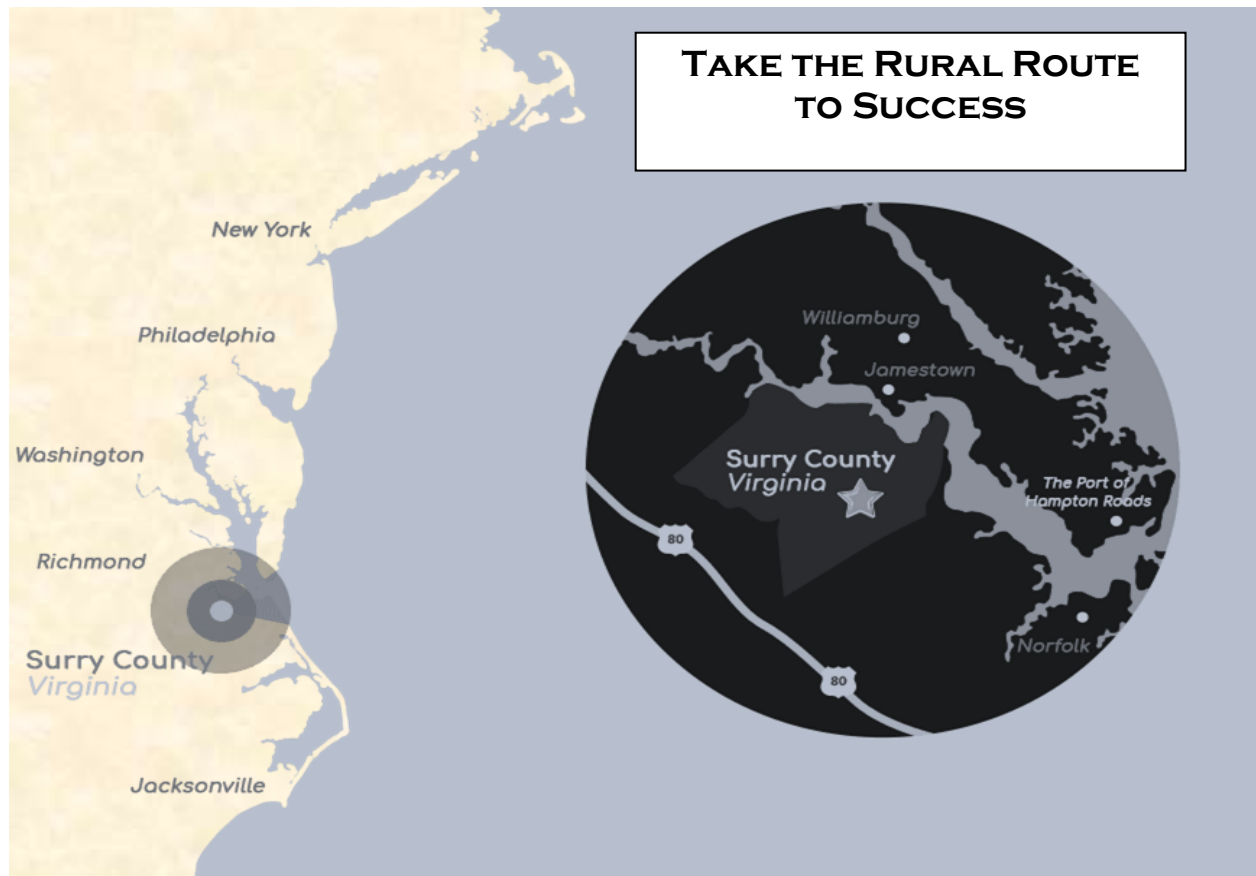
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**S**urry County is a 306-square-mile county located on the James River in southeastern Virginia, with unique location attributes that position it well for energy production, including an existing nuclear facility, and for manufacturing, especially agriculture products such as wood pellets. The county's workforce comes from the Hampton Roads and Richmond MSA to the East and West and from Williamsburg just a ferry ride North. Besides serving as an energy, agriculture and production hub, Surry is popular for residents seeking unique waterfront housing and small town and rural communities.

Surry County is known for its strong economic development potential, passion for the community and rural charm. Nationwide we are known for historical landmarks like Bacon's Castle, Chippokes State Park and nearby Jamestown and Williamsburg. The waterfront location affords access to multiple natural refuges and parks and boat recreation on the river and the newly renovated Grays Creek Marina offers stunning views and access to the onsite Surry Seafood Company, boating, fishing and kayaking. A growing winery location, the county also produces large hauls of peanuts, cotton and soybeans each year for the state.

Known for its passion for community and strong economic development growth potential, Surry's strategic position in the Hampton Roads Region is well-suited for business opportunity.

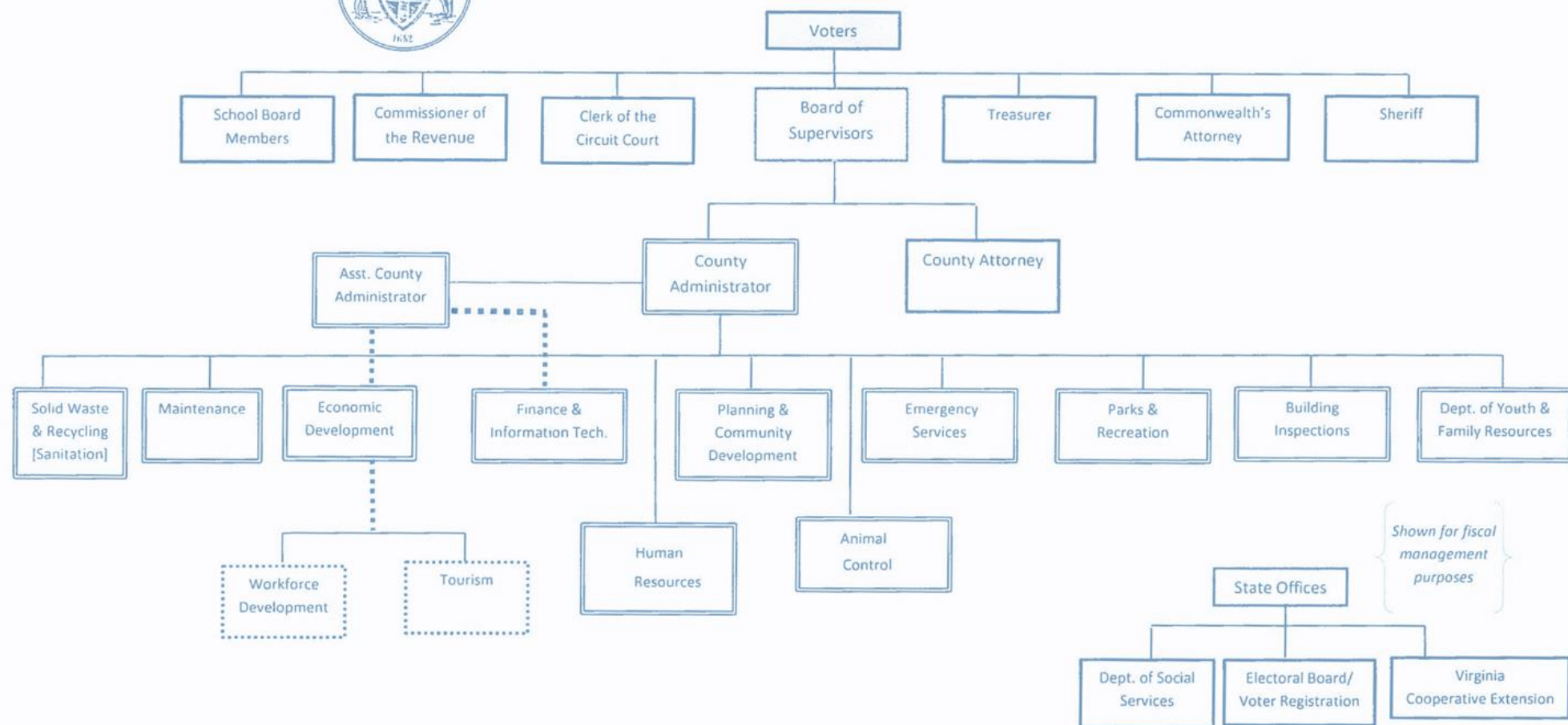
- Direct access to the James River
- 25 miles to Newport News-Williamsburg International Airport
- 50 Miles from Richmond
- 40 Miles from Norfolk
- Close proximity to the Port of Virginia, international airports, railroads and major highways



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## Surry County, Virginia Organization Chart



Adopted July 11, 2019

# Public Hearings and Work Sessions Schedule

The Board of Supervisors of Surry County invites comments on the Proposed Budget for the fiscal year ending June 30, 2021. As a result of operational changes as it relates to the COVID 19 State of Emergency, comments are accepted as noted below: The Public Hearing is tentatively scheduled for May 14, 2020.

April 16, 2020	Thursday	<ul style="list-style-type: none"> <li>Regular Board of Supervisors Meeting</li> <li>County Administrator Presents FY 20-21 Proposed Budget to the Board of Supervisors</li> <li>School Board Highlights- Proposed FY 20-21 Budget</li> </ul>
April 23, 2020 <sup>(1)</sup>	Thursday	<ul style="list-style-type: none"> <li>6:00 P.M. - <b>Budget Work session #1</b> with the Board of Supervisors</li> </ul>
April 24, 2020	Friday	<ul style="list-style-type: none"> <li>Release Advertisement for Public Hearing to the Local Paper</li> </ul>
April 29, 2020	Wednesday	<ul style="list-style-type: none"> <li>FY 20-21 Proposed Budget is Published in the Local Paper</li> </ul>
May 7, 2020	Thursday	<ul style="list-style-type: none"> <li>Regular Board of Supervisors Meeting</li> <li>Board of Supervisors Conducts Public Hearing on the FY 20-21 Proposed Budget</li> </ul>
May 14, 2020	Thursday	<ul style="list-style-type: none"> <li>7:00 P.M. Board of Supervisors considers action on FY 20-21 Budget, sets tax rates and adopts Budget Resolutions</li> </ul>

(1) tentative

- Written comments may be emailed to the Office of the County Administrator: [comments@surrycountyva.gov](mailto:comments@surrycountyva.gov). Budget information will be available on the County's website at [www.surrycountyva.gov](http://www.surrycountyva.gov)
- After the reopening of County facilities to the public, copies of the Proposed Budget will be available at the County Administrator's Office – Government Center located at 45 School Street, Surry, VA and at the Blackwater Regional Library.

**Stay Engaged with the County!**

VISIT US ON THE WEB! <https://www.surrycountyva.gov/>

LIKE US ON FACEBOOK!



<https://www.facebook.com/surrycounty/>

# SURRY COUNTY

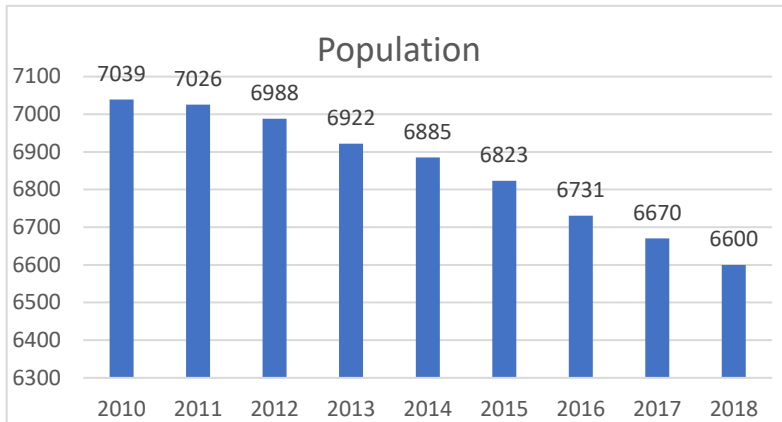
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## Budget in Brief

The budget document is being further developed to include revenue and expenditure summaries, departmental discussions CIP, and supplemental documents. The power point presentation and the accompanied narrative is a component to the document.

## COUNTY PROFILE

### Population



Surry County is home to approximately 6,600 people as of a U.S. Census American Community Survey conducted in July 2018. This is a 6.2% decrease from the 2010 U.S. Census.

The approximate 2018 median age in the County is 49.6 years old. The population is becoming older, on average, as it is all over the country due to the aging of the post-war baby boom generation born between 1946 and 1964. Surry's 2010 median age was 43.5.

### Location

Surry is part of the vibrant and growing Hampton Roads region of more than 1.7 million people. The region is recognized as one of the largest Metropolitan Statistical Areas in the U.S. It includes cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, and along with Surry, includes the counties of Isle of Wight, James City, Southampton and York. Centrally located on the east coast, Surry is within an hour's drive to over a million residents and a day's drive to nearly half of the U.S. population.





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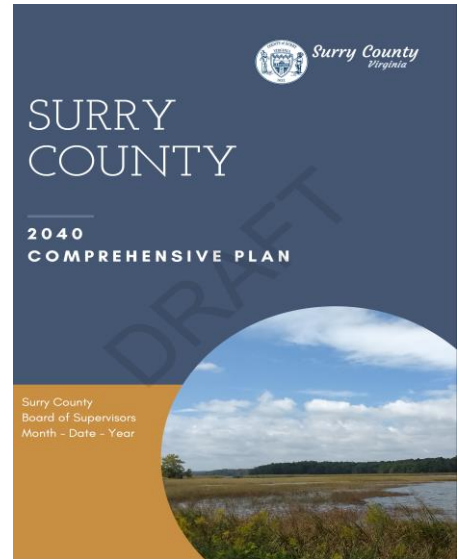
## Comprehensive Plan 2020- Opportunity for Growth

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Since 1980, every Virginia locality has been required by State law to have a Comprehensive Plan. The purpose of the Comprehensive Plan is to guide growth and development over a 20-year time period by providing the long-range vision, goals, and strategies of the community. Surry County's plan is in **draft form** and was slated for completion at the end of June 2020 (pre-COVID 19); it will serve as a guide to landowners, developers, businesses, citizens and County officials about future land use and other community development decisions.

These are the planned themes of the 2020 Proposed Comprehensive Plan. These themes are consistent with the previous and current strategic initiatives of the Board of Supervisors.

- Preserve Surry's Character
- Grow Surry's Economy
- Enhance Quality of Life for All Residents



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## Strategic Priorities

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The Board of Supervisors responsibilities remain unchanged: “.... strive to maintain a strong commitment towards efficiency and effectiveness in County government and positively impact the public safety, health, education & welfare of the citizens of Surry through effective leadership and fiscal integrity. The Board will encourage the orderly growth and development of the community to enhance the quality of life for the citizens of Surry County”.

The Board identified four focus areas in its 2014 Strategic Action Agenda, which continue to be guiding factors in developing County priorities:

- ❖ Promote growth in a manner which protects the County's agriculture, environment, quality of life and historic resources
- ❖ Balance quality of government services with fiscal integrity
- ❖ Enhance relations with the stakeholders of County government
- ❖ Keep citizens informed; encourage openness and participation in government

In February 2020, the Board of Supervisors in a planned retreat to discuss strategic direction and to unify the vision of the County, revealed some common themes from the 2014 strategic agenda: fiscal integrity, quality of life, preservation of rural character, and citizen engagement. An environmental scan from each members' perspective at the 2020 Retreat set the framework for goal setting in the five core areas while maintaining the important priorities set in 2014.

- ❖ **COMMUNITY (DEVELOPMENT, ENGAGEMENT, OPPORTUNITY)**
- ❖ **ECONOMIC DEVELOPMENT (BUSINESS RETENTION & EXPANSION, HEALTH & WELLNESS, WORKFORCE & TOURISM PROMOTION)**
- ❖ **EDUCATION (RENEWED RELATIONSHIPS, COLLABORATION AND SHARED ACCOUNTABILITY)**
- ❖ **FISCAL RESPONSIBILITY (ACCOUNTABILITY AND TRANSPARENCY, FISCAL POLICIES)**
- ❖ **TRANSPORTATION (OPPORTUNITY THAT EXIST)**

*Community* - Surry County's unique historic assets, natural environment, rural charm, strong family roots, homegrown hospitality, sense of serenity and security and attractive landscape will be preserved while considering growth opportunities including revitalization of main corridors and other beautification efforts. Community engagement initiatives and activities will be broadened to keep an informed, engaged and participatory citizenry; recognizing the population trends, the county will work through the comprehensive plan to develop key strategies to help reverse adverse trends, fill community business gaps and identify programs and services for the aging population.

*Economic Development* – The County will identify areas in the County “ripe” for development and continue to identify ways to capitalize on the County's agri-tourism and niche/specialized farming industries. The County will lead in building regional, state and national partners in identifying business and growth opportunities suitable and or unique to Surry County; business growth will afford opportunities to work with existing and new corporate partners to enhance workforce opportunities. Broadband implementation will continue to be supported as the cornerstone of educational, quality of life, business growth, and overall quality of life improvement. Health and wellness will be an integral component of enhancing the economic and social well-being of the entire County.

*Education* – Continue to recognize and engage with the School System as a vital partner in the vision and goal setting of the County (i.e. shared accountability). Develop means to highlight the successes and achievements of the School Division county-wide and to brand the “educational system” as a desire to locate, work and do business in Surry County. Support and collaborate on joint facility planning and educational opportunities such as technical programs and internships aimed to prepare students for an advanced and competitive workforce.

*Fiscal Responsibility* – Continue to balance quality of government services with fiscal responsibility; solidify tax dollars with services needed and desired for a wholesome quality of life and delivery of quality services. Continue to develop transparent communication tools on fiscal matters. Continue practices that ensure strong financial management.

*Transportation* – Identify the potential opportunities of the proximity of Route 10, 31 and Route 40 in Surry County to major thoroughfares and expanded highways as Interstates 95, 64 and Route 460 and to waterways, rail and the Ports of Virginia and Richmond. Collaborate with VDOT and state legislators on

potential for expansion of route 10, the County's major highway; begin dialogue on transportation needs in the county over the next 10-20 years (i.e. bridge); seek development opportunities as a result of main infrastructure that has been installed along Route 31. Create a bicycle/pedestrian plan to provide a safe route and alternative transportation nodes to connect the Town of Surry to various activity centers such as the James-Town Scotland Ferry.

*Dialogue from the Board of Supervisors and county leadership after the 2020 retreat helped set the framework for a newly defined mission statement for the County.*

## **Mission Statement 2020**

*We will exemplify and work with citizens to achieve **unity in the community**.*

*This is essential to maintaining a strong commitment towards efficiency and effectiveness in how we operate and to positively impacting the public safety, health & wellness, education, and overall quality of life of informed, engaged and participatory citizens and stakeholders of Surry County.*

## Budget Overview

### Budget Amendment Process

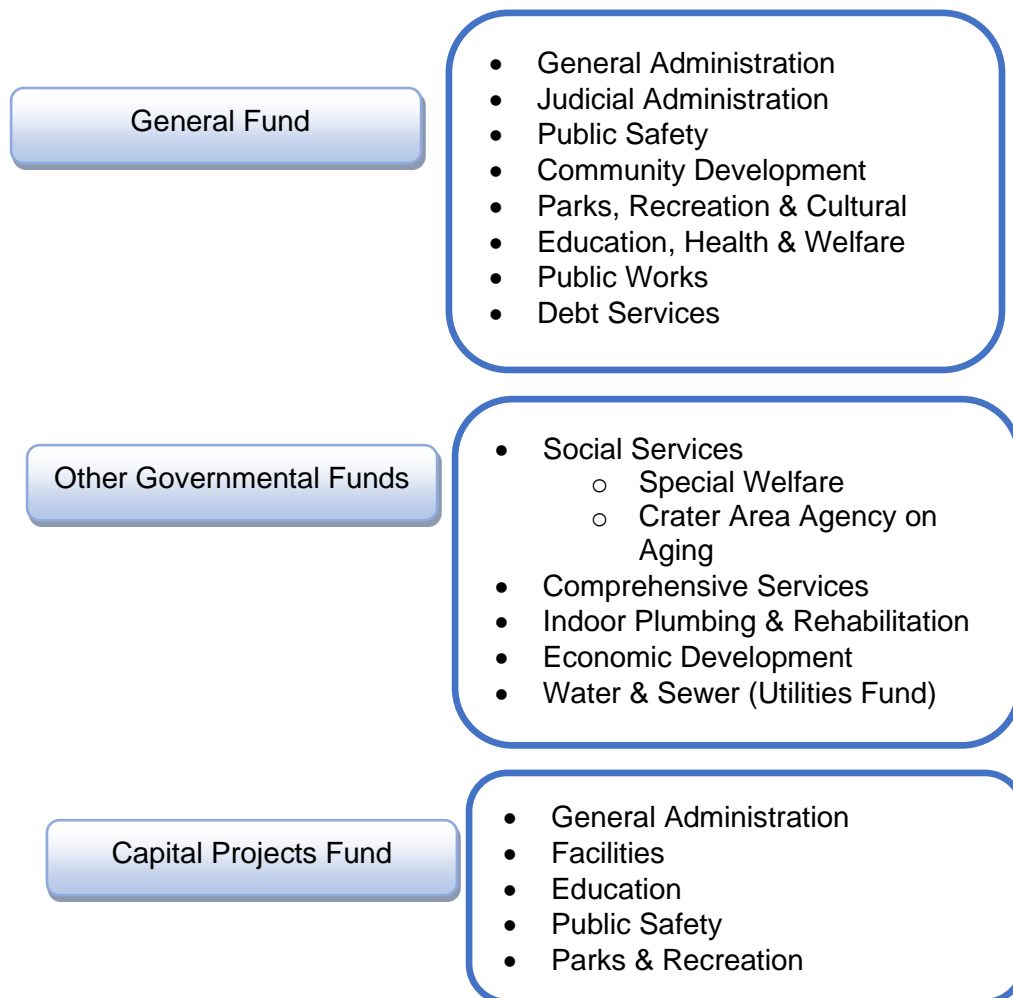
The budget may be amended in one of two ways. If the amendment would change total revenues, then the governing body must formally approve the transfer of funds from one appropriation group to another. The recommendation going forth is that this will be done via an appropriation resolution. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can take action.

The County Administrator is authorized to transfer funds between departments within an appropriation group or between budget line items within a particular department throughout the year to manage operations. The County Administrator is authorized to apply for an accept grants requiring a local match up to \$5,000.

### Budget Organization

The General Fund of the County is divided into functional areas, General Administration, Judicial Administration, Public Safety, Community Development, Parks, Recreation & Cultural, Education, Health & Welfare and Public Works. Each department within a functional area has its own budget; for example: Sheriff & Emergency Medical Services (EMS) are within the functional area of Public Safety. The budget format presents expenditures by functional area and departments within a specific function.

#### *Structure of County Funds*



#### *Explanation of Governmental and Other Funds*

- General Fund - The general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund due to legal, contractual, statutory or financial management requirements. It is funded through taxes and other revenue sources.
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds).
- Debt Service Fund - Used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.
- Economic Development Fund –Money in the Fund reflects a transfer in 2016 to dedicate financial resources toward economic development. Planned uses of the fund could include, but are limited to business incentives, professional services, property acquisition, etc.
- Comprehensive Services Act Fund (CSA) The CSA Fund is used to account for the revenues and expenditures related to services provided to at-risk youth and families. Revenue is derived from the state and local funding. CSA services are administered by the Family Assessment and Planning Team (FAPT) who works directly with you and families to refer cases to the Community Policy and Management Team (CPMT) for approval. The fund mandates a local share for CSA expenditures.
- Special Welfare/Agency on Aging – A part of the VPA fund used to account for activities associated with specific groups as senior population; special revenue funds are used where legal or contractual requirements restrict the use of resources to specific purposes.
- VPA Fund – Virginia Public Assistance Fund (VPA) supports the activities of administration of the health and welfare services in the County. Services are provided to the needy individuals and their families. It is supported with federal, state and local funds.
- Indoor Plumbing Rehabilitation (IPR - Special Revenue Fund)- The Department of Housing and Community Development (DHCD) program with the County to provide 0% forgivable loans to eligible participants for the installation of indoor plumbing to owners of substandard housing where indoor plumbing is non-existent or where the existing plumbing has failed ended in 2016. The IPR Fund reflects program income received from prior recipients to continue projects until Funds are depleted.
- Water & Sewer – used to account for activities specific to maintenance of the County's water system and sewer collection activities. It is considered an Enterprise Fund where operations are supported by user charges financed and operated similar to a private business. The Fund should be self-supporting.
- School & Cafeteria Fund – the component unit School Board as identified in the County's CAFR as a unit of the primary government; it is defined by having a fiscal dependence on the primary government. It supports activities association with Education of K-12 students; the cafeteria fund supports the operations of the food service programs.

Monetary transfers are made from the general fund to the following funds: Capital Projects, Virginia Public Assistance, School and Cafeteria, Comprehensive Services, Economic Development, Debt Service and the Water & Sewer/Utilities Fund.

## **Budget Directives, Performance Measurement, and Monitoring**

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The County Administrator sets the stage to the departments at the beginning of the budget cycle the tone and the focus of the overall budget. This information is based on guidance from the Board of Supervisors.

Operational initiatives are provided by each department and are presented on each department's budget page. Also included in the departmental sections are the key performance measures.

The budget is monitored through the monthly financial management reports. These reports indicate actual financial results compared to budget. These reports are reviewed by the user departments, Finance, and County Administration.

Budgetary control is maintained on a line-item basis. Purchases of goods and services are generally accomplished by the use of a formal purchase order. Funds are encumbered based on purchase orders to best ensure funds are reflect as obligated and are not available to be spent.

## **Operating and Capital Budgets**

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The Operating Budget includes expenditures that are generally of a recurring nature and are appropriated for one year only. It provides for the provision of all County services, but does not result in major physical assets for the county. Year-to-year changes in the Operating Budget are expected to be fairly stable and represent incremental changes in the cost of doing business, the size of the County and the types and level of service that are provided. Resources for the Operating Budget generally come from taxes, user fees, and intergovernmental payments that typically recur from year to year.

The Capital Budget on the other hand, includes one-time costs for projects that may last several years. The projects result in major physical assets in the county and may include projects associated with public safety, general government administration, parks and recreation, public works and education. Wide fluctuations are expected in the Capital Budget from year to year depending on the phasing of projects. Resources for the Capital Budget generally come from bond sales, grants, other one-time sources and transfers from the Operating Budget to support capital projects. Capital projects may produce ongoing operating costs and such is reflected in the operating budget of the perspective department. (Example: a new building will require electricity and such costs will be in the Maintenance Dept. operating budget).

## **Fiscal Policies**

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A fiscally efficient government is one of the strategic goals of the Board of Supervisors. Financial policies provide a framework for the County's departments to make sound financial decisions, promote fiscal transparency, and to ensure compliance with prevailing local, state and federal laws and regulations.

While the County's current policies require a refresh and formal adoption by the Board of Supervisors, the below standards are recognized as effective financial practices.

- The County will establish and maintain an internal control structure and accounting practices to ensure compliance with Generally Accepted Accounting Principles (GAAP).
- An independent firm of certified public accountants will perform an annual financial and compliance audit according to generally accepted auditing standards in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the Uniform Guidance. The financial statements and the results of the audit will be presented annually to the Board of Supervisors.
- The County will annually seek the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- The County Administrator will propose a balanced and a five-year Capital Improvements Program that are linked to the County's Strategic Plan and Comprehensive Plan. The Board of Supervisors shall adopt the first year of the Capital Improvement Plan as the Capital Improvement Budget.



- The CIP will include both school, general government, and utility capital needs; it will provide a description and estimated cost for each project.
- A diversified revenue system, inclusive of state and federal funds as well as user fees for services that support specific programs.
- Financing recurring expenses from recurring revenue sources and not rely on non-recurring revenue to fund on-going, operating expenditures.
- The County shall maintain a budgeting control system to monitor actual-to-budget performance, and shall take immediate corrective action if revenue and expenditure estimates project a year-end operating deficit.
- At least quarterly, the County will publicly publish financial information including budget to actual performance. A monthly report has been provided.

### **Debt Management**

In consultation with the County's financial advisor, financing for the County's five-year Capital Improvements Program shall:

- Consider a five-year forecast of revenues and expenditures.
- Include an evaluation of pay-as-you-go projects and debt financing.
- Avoid financing if the term of the indebtedness exceeds the expected useful life of the project.
- When feasible, bundle capital projects to limit the number of borrowings as well as to reduce the costs of issuance by achieving greater economies of scale.

The County shall maintain the following standards regarding debt:

- Net bonded debt shall not exceed 3% of the assessed valuation of real and personal property.
- General fund debt service expenditures should not exceed 12% of annual general fund expenditures. The County should maintain a target of 10% for this ratio.

**Fund Balance (Reserves)** – The county shall maintain a fund balance position that meets the County's needs and challenges and mitigate current and future

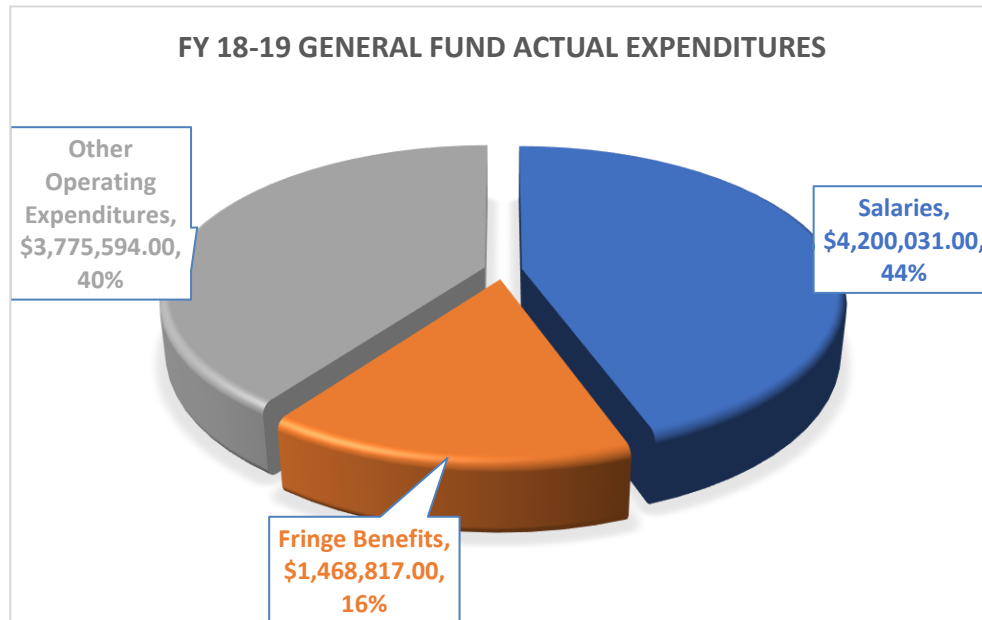
- The County shall maintain a General Fund Unassigned Fund Balance at the end of the fiscal year in an amount no less than 25% of annual general fund revenues, not including transfers.
- Monies in excess of 25% may be considered to supplement pay as you go capital outlay or remain in the undersigned fund balance to be used for other purposes as authorized by the Board of Supervisors.
- The County should not use fund balance to finance current operations as it is not sustainable.
- The use of the General Fund's Unassigned Fund Balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man-made disasters); financial opportunity (to enhance the well-being of Surry County; Following any use of fund balance that draws the balance below the minimum funding level, the Board of Supervisors will adopt and timeline to replenish the balance to its minimum funding level of 25%.

### **Cash and Investments**

- The County shall follow the Cash and Investment Policies established by the Treasurer, a Constitutional Officer of the Commonwealth of Virginia. Such policies shall be reviewed and updated annually, and be in accordance with all applicable laws and regulations.
- The Treasurer will provide the Board of Supervisors, at least monthly, with a report of investments held by the County.

## Expenditure Composition of the General Fund (Excluding Transfers Out to Other Funds) Where is the Money Spent

FY 18-19 actual expenditures of the General Fund were \$9,444,444. To get a better understanding of where general fund dollars are spent, a review of actual expenditures for FY 18-19 is shown below. As with most governments, personnel cost represents most general government expenditures.



Advertising	\$36,817	Cost for legal ads
Agency Contributions (Except Fire & Rescue)	\$606,052	Agency Breakdown Provided in Budget Document; includes all contributions except fire and rescue
Auditing	\$42,819	Auditing services and cost to produce financial reports
Boards and commissions	\$6,365	Compensation to Various Boards and Commissions appointed by the Board
Building Repairs	\$255,748	Repairs to several government buildings; this amount will fluctuate; breakdown of buildings and facilities maintained by the County is included in the budget document
Communications	\$109,959	Verizon telephone, monthly fees for mobile devices including IPADs, internet services
Contractual Services	\$286,313	Interim administrator services, comprehensive plan consultant, maintenance service contractors, emergency services contracts (instant alert, generator maintenance, EMS radio maintenance county-wide including fire and rescue agencies, utility marking services

<b>Contributions to Public Safety Volunteer Agencies</b>	\$248,580	Quarterly contributions to the volunteer fire and rescue squad; the rescue squad is paid 7% of the monthly fees collected from ambulatory billing services as administrative costs
<b>Convention &amp; Education</b>	\$72,454	Cost to attend trainings to include travel, mileage, meals, conference registration; some revenue recovery is associated with this expense
<b>Detention/Prisoner Care</b>	\$229,146	The cost for prisoner care in Riverside Regional Jail (\$184,892) and Crater Youth Detention for the youth population (\$44,754)
<b>Electricity Services</b>	\$155,212	The cost for Dominion and PGEC electrical services for all County Buildings
<b>Fuels</b>	\$114,170	Vehicle fuel for all County fleet vehicles and marina fuel
<b>Indexing/microfilming</b>	\$17,792	The annual cost for microfilming and indexing circuit court records
<b>Legal Fees</b>	\$89,132	Cost paid to the County attorney for legal fees
<b>Maintenance Contracts</b>	\$246,367	Information technology (\$97,000) associated with county copiers, printers, financial software system, municode, postage meters, phone system maintenance
<b>Mileage</b>	\$4,802	Reimbursement for use of personal vehicles during business travel
<b>Motor Vehicle Insurance</b>	\$33,896	Motor vehicle insurance (VA Association of County Pooled Insurance Program)
<b>Office Supplies &amp; Equipment</b>	\$78,826	Office supplies and equipment for all departments
<b>Paid Rescue Squad Services</b>	\$447,568	Contract service cost to provide 24/7 paid rescue services; fee recovery for FY 19=\$193,000) or 43%
<b>Parks Special Activities</b>	\$11,600	Cost for special annual activities as fireworks and Pow Pow
<b>Professional Services</b>	\$278,799	Interim Finance Services from vacant salaries, election officers, salary study fee, county administrator search fee, parks and rec sports officials; the majority of the cost is for sanitation landfill monitoring and remediation services; this line item will fluctuate
<b>Property Insurance</b>	\$43,002	Property insurance for all county buildings (VA Association of Counties Pooled Insurance Program)
<b>Rent for Office Space</b>	\$12,552	Rent paid to the Commonwealth Attorney for use of space and to the Victim Witness Program; a small portion (\$300) is for facility rental used during elections
<b>Uniforms</b>	\$17,240	Cost associated for uniforms (Sheriff, Public Works, EMS and Animal Control)
<b>Veterinary services</b>	\$13,352	Cost for medical services for the care of animals
<b>Waste Disposal at Landfill</b>	\$111,616	Cost for disposal of waste at the landfill; the county pays the tipping fees

<b>Water &amp; Sewer</b>	\$12,532	Paid to the Town of Surry for water utilities
<b>Other Operating Expenses</b>	<u>\$192,883</u>	Other expenses not identified above
Total Primary General Operating Expenditures	<b>\$3,775,594</b>	<b>TOTAL AMOUNT SPENT FOR OPERATING THE GENERAL FUND EXCLUDING PERSONNEL IN FY 18-19</b>

○

# SECTION A

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## BUDGET MESSAGE & FINANCIAL SUMMARIES



"The Countrie it selfe, I must  
confesse is a very pleasant  
land, rich in commodities; and  
fertile in soyle..."  
Samuel Argall, ca. 1609

## Board of Supervisors

Robert Elliott, Chair  
Michael A. Drewry, Vice-Chair  
Timothy Calhoun  
Judy S. Lyttle  
Kenneth R. Holmes

*Melissa D. Rollins*  
*Acting County Administrator*

April 15, 2020

Dear Members of the Board of Supervisors:

I am pleased to present the Fiscal Year (FY) 2021 Proposed Budget Operating Budget and the Five Year (FY 21-25) Capital Improvement Program (CIP) for Surry County. The proposed operating budget for all funds is \$58,815,986. Of this amount, the CIP is \$8,165,016. This reflects a \$6,167,694 or 11.7% increase over the FY 2020 adopted budget.

The proposed budget reflects the Board of Supervisors' strategic planning initiatives for community and economic development and sustains operations while supporting Education. Leadership and county-wide discussions over the past several years have focused on the need for reliable, high-speed broadband, new business development and job creation, while recognizing the challenge of the County's population decline. Revenues to support all the areas of government [administration, public safety, community development, education, recreation, health & welfare, capital improvements] and to sustain the quality services desired by citizens are relatively stable; however, the full impact of the recessionary conditions created by the COVID-19 shutdowns are unknown. Not all priorities can be met given limited resources.

The FY 2021 proposed budget was developed with constraints but overall maintains operational service levels for County departments. The priorities executed in the proposed budget includes funding for major broadband initiatives executed in FY 19-20 to help build a healthy and diverse economic base, provide opportunities for education, support business retention and expansion and enhance overall quality of life.

The budget includes a proposed tax rate increase of \$0.03 from \$0.71 cents per \$100 of assessed value to \$0.74 cents. The additional revenue from the increase is \$852,838 (\$583,895 public service) (\$268,943 real estate from taxpayers). The County's real estate tax rate has remained level at 71 cents since 2016, when it was reduced from the prior amount of 73 cents as a result of the reassessment. Since that time, revenue increases have been modest while the cost of maintaining existing service levels to the community has steadily risen. County department budgets have remained mostly level except for benefit cost increases.

The proposed FY 2020-2021 Annual Operating Budget and the FY 2021-2025 CIP were developed to advance the Board of Supervisor's strategic vision of enhancing the quality of life for the



citizens for Surry. Key management considerations in the formulation of the budget were:

- Limitation of annual increases in operational expenditures to current commitments in personnel
- Consideration to added costs slated to enhance the ability to provide quality services
- Cost containment – reductions where possible based on historical spending patterns

### **Balancing the Budget: Budget Development, Challenges & Opportunities**

Finding the funding to do everything desirable or even necessary is a major fiscal challenge. There are a limited number of ways to address the issue: albeit unfavorable- taxes may be raised; services may be cut, reduced, or less expensive service delivery mechanisms developed. In developing the Proposed FY 2021 Budget, I looked critically at current budget levels and service priorities and made reductions in several areas, most notably in the support provided to outside agencies. Further, given the recessionary conditions created COVID-19, I am regrettably unable to recommend any salary increases for County employees this year. This budget containment strategy is consistent across the region. The good news is that no furloughs or other reduction in workforce is proposed. Even with these cost containment strategies, we are facing a shortfall of \$840,000 and cannot maintain core service levels without additional tax revenue. I am therefore recommending a 3 cent or 4% increase in current real estate tax rate of \$.71/\$100 of assessed value. It should be noted that this tax rate increase will also apply to Public Service Corporations (PSC), and because Surry's budget is heavily dependent upon PSC taxes, 69% of the revenue generated from this tax rate increase will come from PSC revenue, with 31% coming from other assessed real estate in the County.

The FY20-21 Budget was prepared while starting with several challenges, including an economy heading into recession, Virginia Retirement System (VRS) rate increases of 39%, and an increase in state mandated costs for Children's Services Act (CSA) services.

The major differences and budget drivers from FY 2020 to FY 2021 include:

#### **FY 2021 Major Operating Budget Drivers**

<b>Item</b>	<b>Amount</b>	<b>Explanation</b>
<u>Major Revenue Declines:</u>		
Decline in Public Service Corp Revenue	\$ 131,000	The sales assessment ratio is below 100%
Decline in Interest Income	275,000	Fed action related the economic meltdown due to COVID-19 have driven interest rates close to 0%
Unbalanced budget from FY20	77,500	The FY20 Budget was adopted using \$77,500 of FB for ongoing costs
	<b>\$ 483,500</b>	
<u>Major Expenditure Increases:</u>	\$ 20,000	The former County Administrator granted pay increases outside of the pay plan adoption
VRS Increase	135,000	The VRS Retirement rate increased by 39%
Health Insurance	30,000	Health insurance rates increased by 4.8% overall

Unbudgeted Ambulance Billing Costs	131,000	Prior Administrator hoped to re-bid and/or look for alternatives to lower costs, but
		but no options to do so currently exist
HR Manager	81,000	New position
Codes Compliance Officer	58,000	New position
Increase in Clerical Staff Hours (Tourism & Workforce)	5,700	Additional hours to support County Economic Development efforts
Jail cost increase	19,000	Contractual cost increase
	<b>\$ 479,700</b>	

## All Funds

The summary of all funds is shown in the table below:

FUND	FY 2019-20 ADOPTED	FY 2020-21 PROPOSED	CHANGE	
			\$	%
GENERAL	28,789,123	29,013,879	224,756	0.8%
CIP	3,118,000	8,165,016	5,047,016	161.9%
VPA	1,848,625	1,850,501	1,876	0.1%
CSA	150,064	470,677	320,613	213.7%
TASK FORCE	25,000	25,000	-	0.0%
SPECIAL WELFARE	38,640	42,852	4,212	10.9%
AGENCY ON AGING	32,288	32,288	-	0.0%
INDOOR PLUMBING	11,730	11,730	-	0.0%
ECONOMIC DEVELOPMENT	80,000	80,000	-	0.0%
DEBT SERVICE	2,121,267	2,123,391	2,124	0.1%
WATER & SEWER	142,750	162,850	20,100	14.1%
<b>TOTAL COUNTY FUNDS</b>	<b>\$ 36,357,487</b>	<b>\$ 41,978,184</b>	<b>\$ 5,620,697</b>	<b>15.5%</b>
SCHOOL OPERATING	15,772,305	16,324,802	552,497	3.5%
SCHOOL CAFETERIA	518,500	513,000	(5,500)	-1.1%
<b>TOTAL SCHOOL FUNDS</b>	<b>\$ 16,290,805</b>	<b>\$ 16,837,802</b>	<b>\$ 546,997</b>	<b>3.4%</b>
<b>TOTAL - ALL FUNDS</b>	<b>\$ 52,648,292</b>	<b>\$ 58,815,986</b>	<b>\$ 6,167,694</b>	<b>11.7%</b>

### **Budget Development Process**

This year, budget meetings were held to clarify department requests and to assist performance measure development, with a goal of aligning services with the mission of the County. Further development of the budget document will include established departmental goals and objectives, performance measures and fiscal year highlights and accomplishments. Budget communication provided to all departments and organizations indicated that revenue growth was flat and therefore resources would be limited. To this extent, not all requests have been funded:

- ❖ **Social Services:** Partial funding of the requested local appropriation
- ❖ **Education:** The budget funds \$53,000 of a \$253,000 request
- ❖ **Various Departments:** Funding requests for two new positions and additional part time hours
- ❖ **Public Safety Sheriff:** Funding request for additional deputies (6), courthouse security (1.5 positions) and one (1) administrative position
- ❖ **Organizations:** **Reductions in funding** for a number of external agencies and organizations
- ❖ **Various Departments:** Only necessary line item increases are recommended
- ❖ **Capital Project Requests:** Continuation of projects previously included in the Five-Year CIP, most notably replacement of the Public Radio System and the Broadband investment. Deferment of desired projects to FY 21-22.

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*The County received \$2.2250 million in competitive state grant for Broadband Implementation. The County's local match requirement is \$2.2250 million.*

*Combined with the \$5.13 mil of Rural Community Connect Fund received by PGEC for Surry County (2101 homes), all of Surry will have access to reliable, high speed broadband, slated for completion by the end of November 2021.*

To put the local match dollars into perspective; funding this initiative is equivalent to nearly eight (8) cents in tax revenue.



## Summary

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The proposed budget was prepared in the midst of (COVID-19) on our local economy. Since that time, federal, state, and local governments have been working diligently to prevent the spread of this disease by educating our citizens, encouraging social distancing, restricting or closing non-essential businesses, cancelling large gatherings, and issuing Executive Orders in Virginia for residents to Shelter in Place and other protective guidance. The impact on our local economy is not known at this time and obviously budget development has been impacted by the pandemic. All citizens are encouraged to do your part as we get through this unprecedented challenge.

Included in the budget document that follows is a listing of FY 2019-2020 Highlights and Accomplishments of the various County departments evident of the County's ongoing commitment to provide outstanding services to the citizens of Surry. Further details about the proposed budget including major changes from the current fiscal year are addressed throughout the document. Budget estimates are again being conservatively projected in an effort to improve overall financial reliability, especially in the wake of uncertainty. It deserves emphasis that the proposed spending plan and tax rates are preliminary. Next is the Board of Supervisors budget work sessions followed by public hearing and further consideration until adopted.

I am truly humbled by the opportunity afforded me by you to serve the citizens of this wonderful county and being entrusted with the enormous responsibility for preparation of the County's financial plan. Preparation of this budget proposal resulted from a team effort by all departments and school division leadership. It has resulted in some less than favorable expenditure reductions, the inability to fund some requests, and other decisions; despite these challenges we are all confident that the County will come out stronger and more fiscally stable. With continued forward-thinking, creative strategic planning and a renewed commitment to collaboration and unity, we will be better able to seek the opportunities ahead for the good of the community. I would like to recognize and express my sincerest gratitude to the County's Leadership Team throughout the budget process and through the challenges of the COVID-19 operational change, Ms. Carol Swindell, Interim Director of Finance for her dedication to the budget process and for the support of the Board of Supervisors during the COVID-19 event, which necessitated flexibility in our operations while maintaining services to the community. I look forward to working with you throughout the remainder of the budget process.

Respectfully Submitted,



Melissa D. Rollins  
Acting County Administrator